

The NATIONAL UNDERWRITER



A huge volume of Government contracts are being let. Car loadings, materiel, merchandise and commodity shipments are up tremendously. The war emergency has created many **new** opportunities to write Transportation Floaters, Motor Vehicle Cargo, Garment Contractors' Floater, Processing Risks Floater, Scientific Instruments, and allied Inland Marine coverages.

But don't overlook everyday opportunities to increase your Inland Marine premium income through personal contacts with policyholders and prospects. Every man dotes on his hobby—golf, hunting, fishing, photography, stamp or coin collecting, etc. Golf and Sports Equipment Floater, Camera Floater, and Stamp & Coin Collection Floater are easy covers to sell such hobbyists.

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Call on our Fieldmen or this Office for additional information and help in writing these and all other Inland Marine lines. Branch Offices and Inland Marine Service Offices are also conveniently located about the country for your convenience.

Inland Marine & Special Lines Department

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 THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
 THE MERCANTILE INSURANCE COMPANY OF AMERICA
 THE HOMELAND INSURANCE COMPANY OF AMERICA

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Boston
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THURSDAY, JULY 19, 1951



**American Equitable Assurance Company
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Globe & Republic Insurance Company of America
Established 1862

**Merchants and Manufacturers Insurance Company
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Organized 1849

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Incorporated 1832

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OHIO FARMERS INSURANCE COMPANY - Chartered 1848
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National Board Moves to Supervise Detroit Losses

First Temporary Plan to Hold Reins on Adjustments Is Tried

A temporary supervisory office through which all fire and extended coverage losses may be cleared to the interested insurers for their final approval and payment is being established at Detroit by National Board, it is announced this week.

"For many years companies have maintained permanent offices in New York and Chicago through which losses are examined before being forwarded to companies," National Board states. "We do not envision an extension of these permanent offices, but for some years we have had in mind the advisability of temporary offices where, for some undetermined time, the overall picture of loss adjustment practices may be observed at first-hand.

"For an initial experiment, it appears that the city of Detroit and its suburban area within the limits of Wayne county are ideally situated. Wayne county is the fourth largest county in population in the U. S. The city of Detroit has experienced a rapid expansion in manufacturing, mercantile and residential construction. Greater Detroit has increased in population tremendously and, as a result of World War II, it has attracted residents from all parts of the country. These residents have continued to live in Detroit and found continuing employment in the post-war economy. Further, there are found in Detroit branches of company-owned adjusting organizations, a substantial number of independent adjusters and a large number of company staff adjusters. In common with other large cities, public adjusters are active in their representation of the insured.

Cooperation Is Obtained

"In cooperation with Western Underwriters Assn. and Western Insurance Bureau, and with the concurrence of the executive committee, it is planned to establish a temporary clearing office in Detroit through which all fire and extended coverage losses may be cleared to interested companies for their final approval and payment.

"This entire program may well be considered a worthwhile experiment in public relations on the part of stock fire insurance companies, illustrating as it does a desire on their part to fulfill in highest measure their responsibilities not only to the policyholder who has a loss, but likewise to the policyholder who does not have a loss, realizing in both cases that a policyholder has rights to be observed.

"The companies, as always, will determine their course of action in all cases. To assist them, preliminary on-the-ground review and inspection will be made as notices and proofs of loss are received. Counsel and advice will be exchanged between adjusters and our office and encouragement will be extended to all adjusters to maintain their work on the highest level.

"It is proposed that all the losses, fire and extended coverage, whether adjusted by agents or adjusters, will clear

(CONTINUED ON PAGE 21)

Withdraw AEC in Mass. on Legal Technicality

The New England Fire Insurance Rating Assn. has notified companies, agents and field men that the additional extended coverage endorsement, rules and form of which had been authorized by the Massachusetts department effective Aug. 17, has been withdrawn.

The insurance department concluded that inasmuch as the Massachusetts law sets up rate regulation of fire and casualty in separate chapters without providing specifically for combination fire-casualty policies with an indivisible premium, it does not have the authority to approve the A.E.C.

Since the legislature in Massachusetts will not meet until next year, it is considered unlikely that anything further will be done about the A.E.C. in the state until that time. Presumably there will be an effort then to correct the legal deficiency.

In New York, where the A.E.C. has been approved and where the effective date is Sept. 1 and in other states as well, the small company may face a real problem in getting up additional money to meet the policyholder's surplus requirement specified by the state law for multiple writing powers. For some small companies, stock and mutual, the amount is substantial.

Even if the insurer elects not to write A.E.C. directly, it may trade reinsurance with other direct writers that do and run into difficulties there.

\$1 Million N. J. Loss

The fire which destroyed the 900 foot pier of the Reading Railroad at Port Reading, N. J., last week, may cost insurers \$1 million, according to preliminary estimates. The railroad, which is insured in Railroad Insurance Assn., also lost three barges and a creosote-filled warehouse.

J. R. Glennon Takes Ill. State Post

Joseph R. Glennon has been appointed by Insurance Director Day of Illinois as deputy in charge of company regulation. He leaves the Iowa department where he has been chief examiner, to take the new position. He has been in the Iowa state service 15 years. His duties in Illinois will include coordinating the work of the various company supervisors in handling admissions and regulation of companies and in providing closer liaison between the regulatory work at Springfield and the examination division at Chicago.

Mr. Day states that this is comparable to the reorganization last fall of the rating responsibilities whereby S. Tyler Nelson was appointed deputy in charge of the rating division. Additional need for this new position was created, according to Mr. Day, by the fact that Frank Bartsch, chief deputy, is increasingly occupied with the recently expanded work of the liquidation bureau of which he is in charge, at Chicago.

Fire Deductibles Given Approval in Ohio

Superintendent Robinson of Ohio has put his stamp of approval on the writing of fire deductibles through an order suspending the filing requirement with respect to rates for catastrophe coverage fire policies with a minimum retention limit of \$100,000.

In order for the regulation to be applicable to any particular catastrophe, the retention as to each loss must be a minimum of \$100,000, and assured must warrant that the retention will not be covered by any policy of insurance.

A copy of any policy and a brief analysis of the account written under the suspension must be filed with the department within 10 days after it has been issued. Insurers writing such coverage are required to maintain separate statistics.

Insurance Loss Incident to Flood Is Considerable

Too Early for Overall Estimate—TWA Marine Loss Stands Out

Management at underwriting centers this week, so far pretty vainly, has been attempting to get a size-up of the insurance losses that will be incidental to the awful floods in Kansas and Missouri. In proportion to the direct flood loss and damage which is uninsured, the insurance loss is infinitesimal but it will count up to a very sizable sum even in these days of frequent multi-million dollar blows.

Probably the greatest single insurance loss will be at the huge Trans-World Airlines overhaul and modification base in the Fairfax district of Kansas City, Kan. This Fairfax district on Tuesday was still under 12 feet of water despite the fact that the water by that time had gone out of the central industrial district. It appeared likely that the water at Fairfax would have to be pumped out and that, of course, will delay getting at the loss and engaging in salvage operations.

There are six planes under water there. Three are DC-3s, one is a cargo C-54, one is a Martin 202, and there is a Constellation. The wings were off of most of these planes and they could not be flown out to escape the flood. Associated Aviation Underwriters has this part of the risk, the agent being Mann, Kerdloff, Kline & Welsh agency of Kansas City. However, there is a fleet deductible. The loss to the planes may not exceed \$250,000 and this would be less than the deductible.

Marine Loss Undetermined

TWA does not have flood insurance on the building, improvements and betterments and furniture and fixtures but it does have marine cover on its movable equipment such as engines and parts and there is about \$12 million of such equipment at the Fairfax location. Those interested were not willing on Tuesday to hazard any kind of a guess as to what the loss there might amount to since the property was still under 12 feet of water. It was assumed at the outset that the fine instruments will be shot and that the wiring on the engines will be gone. There were well over 100 engines under water.

Mann, Kerdloff, Kline & Welsh have this part of the line as well and there is a general spread of liability among a large number of companies including Westchester, Federal, Hanover, Boston, Centennial, Continental, Royal Exchange, Home and Millers National.

The fires in the vicinity of 31st and Roanoke at Kansas City, Mo., involved a number of industries including a number of bulk oil stations caused a loss that probably will not exceed \$2 million in the aggregate. This section on Tuesday was under police guard and it was impossible for adjusters to get near the place even had they been disposed to look it over.

Among the industrial risks that were in the fire area and that suffered loss are Southern Oil Co., estimated \$300,000; Socony Vacuum, Phillips Petroleum,

(CONTINUED ON PAGE 23)

Main Factors At Agency-Company Parley



Main factors at conference of agency association spokesmen from 13 middlewestern states with fire insurance executives at Union League Club, Chicago:

George W. Carter of Detroit insurance agency, originator of the conference and its perennial chairman, and Russell D. Hobbs, general manager of Western Actuarial Bureau, who was the company spokesman in the absence of E. A. Henne, of America Fore, chairman of subscribers actuarial committee.



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LETTER TRAY — strong two point suspension allows access from entire front and both sides. Tiers quickly added legal or letter size.



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At George Carter's mid-summer conference of western agency association leaders and fire insurance executives at Chicago:

Charles H. Smith, vice-president and western manager of Hartford Fire; H. T. Moran, Oklahoma City local agent; H. A. Grider, general manager of western branch of Factory Insurance Assn., and H. A. Clark, vice-president and western manager of Firemen's.

Irwin to Western Pacific

Howard Irwin, formerly with United Pacific, has been named vice-president in charge of casualty operations of Western Pacific. The company plans to expand its operations to the casualty field by the end of the year.

The company also named William King assistant treasurer and Lee Ager, assistant secretary. Roscoe C. Torrence, Seattle printing executive, was elected chairman, and Boyce Stanard, vice-president in charge of fire lines, a director.

N.Y.F.I.R.O. Names Two

New York Fire Insurance Rating Organization has appointed Kenneth O. Smith as director of the new statewide special risks department to supervise the underwriting report service recently assumed by N.Y.F.I.R.O. and to coordinate the rate treatment of sprinklered and other special risks in connection with fire and specific peril coverages.

Mr. Smith has been district secretary of the Rochester district office.

Mortimer W. Woodworth has been appointed acting district secretary at Rochester. He has been with the organization for 25 years, the last 10 at Rochester in charge of rating activities.

New G.A.B. Branch in Cal.

General Adjustment Bureau has opened a branch office at Redwood City, Cal., with Vance P. Hill as manager. He has been with the organization for 10 years at San Francisco. He will be assisted by Gaylord C. Harding, who has been an adjuster in the San Francisco office.

N.D. Hail Claims Light

BISMARCK, N. D. — Hail loss claims have been relatively light in North Dakota even though dollar and cents coverage is the greatest in history. Up to July 12 only 527 claims had been filed with the department, compared with 1,400 in the like period of 1949.

July 16 was the deadline for filing hail insurance applications with a total of around 29,000 applications filed. About 80% are taking the full \$12 coverage authorized by this year's legislature.

The city of Cape Girardeau, Mo., will join with Missouri Inspection Bureau, University of Missouri, and Missouri League of Municipalities in conducting a fire conference there August 4-5.

G.A.B. Names McGovern

John J. McGovern, Jr., has been appointed manager at Utica for General Adjustment Bureau succeeding Thomas B. Bradley, resigned. Mr. McGovern has been manager at Erie, Pa., since 1949, and prior to that had been at Pittsburgh for 10 years.

Arthur R. Gore succeeds Mr. McGovern at Erie. He has been with the bureau since his air force service in 1945.

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Open Moves to Integrate Insurance Education Courses in Illinois

A meeting at Chicago last week to explore the possibility of coordinating the various property and casualty insurance educational courses which flourish in Illinois did not result in anything more specific than general agreement that integration is desirable, but there are hopes that by the fall something along this line can be accomplished.

Present at the meeting were representatives of groups which now sponsor educational courses. There was Lyle Gift, Peoria, representing Illinois Assn. of Insurance Agents; William W. Hamilton, manager Chicago Board; R. M. Babbitt, Joyce & Co., Chicago C.P.C.U. leader; Robert I. Mehr, professor of insurance University of Illinois; John J. Ahern, director department of fire protection engineering at Illinois Tech; W. F. Kuffel, Kuffel, Eggert & Co., Chicago Insurance Institute, and Roy L. Davis, Chicago manager Assn. of Casualty & Surety Companies.

Want to Avoid Overlapping

What brought the insurance educators together was the desire to coordinate the autonomous courses into some sort of a unified whole. There has been the contention that some of the courses overlap and at the same time there are gaps left in the educational facilities at some levels.

The knottiest problem facing the conferees at Chicago was to decide which of the educational programs would embrace which level of instruction. It was agreed that there should be courses presenting beginning instruction in insurance principles and practices on the "grammar school" level, instruction for those who have been in the business for a time at the "high school" level and training for veterans and specialists in the insurance business on the "college" and "graduate" levels. It was generally agreed that C.P.C.U. has done a good job on the higher levels and is qualified to continue its programs for experienced men leading to the C.P.C.U. designation. However, dividing up the lower levels was a different matter. Neither representatives of the board or the institute agreed to provide the lowest level training. At present both of them operate largely at the "high school" level and there is apparently some overlapping in the matter they present. Before educational continuity can be established it was felt by some present that one or the other of these programs is going to have to dip lower into primer teaching than it has heretofore. Elsewhere in the state there is not much in the way of rock-basic training. The four-week-a-year short courses sponsored by the extension service of University of Illinois at Monticello are generally on the "high school" level.

Difference in Emphasis

Those who maintained that there is not too much duplication between the board and the institute courses brought up the fact that board courses meet during the day and institute courses meet in the evening. One course is geared to the employees of producers and producers themselves and the other to company workers. Others maintained that the fundamentals to be mastered are the same for people in either classification.

Mr. Mehr offered the extension facilities of the university, outside of Cook county, wherever those in the industry want to use them. In addition to the Monticello school, and the insurance curriculum at Urbana, Illinois maintains C.P.C.U. courses by extension at Rockford and Decatur. Spreading this C.P.C.U. work to such centers as Peoria and Springfield is envisioned, wherever a minimum of 15 students might be available.

Some lack of established continuity in the insurance-education field has been demonstrated by insurance men setting

out on C.P.C.U. work in the state. There are always some C.P.C.U. aspirants who demonstrate early in their studies that they have not had a basic insurance education and should have such a grounding before they set off on anything as ambitious as a C.P.C.U. These men and youngsters starting off in the business often are at a loss as to where they should start and need an

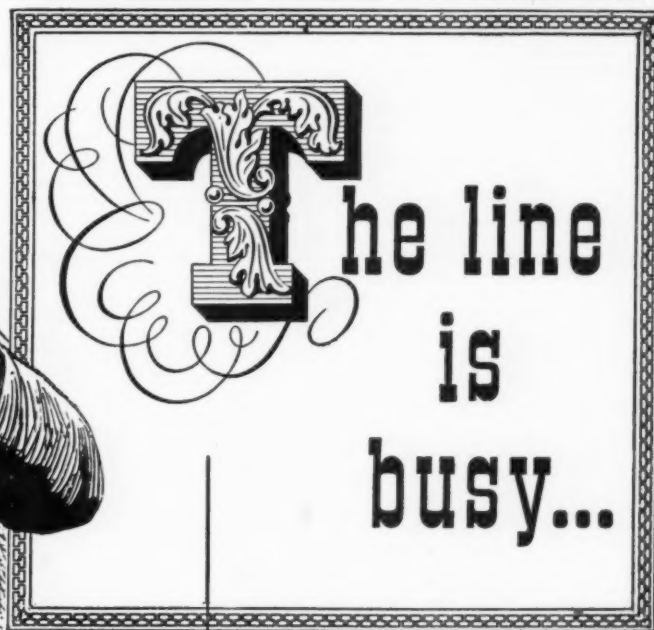
educational ladder to climb up to the C.P.C.U. level.

There were those at the Chicago meeting who said that the education program would benefit from a unified program which would give it and a regular sequence of courses with appropriate publicity given to graduations and records at each level. There were suggestions that the courses which are either free or for which a nominal fee is charged should demand more substantial tuition on the grounds that students really appreciate courses which cost them money. These additional tuition

charges might be channeled in a constructive direction by refunds to the better students in the way of scholarships.

Additional tuition would also bolster fees for lecturers which are either non-existent or very small in some of the courses. This would insure that the best possible teachers are available.

Bruce Hoblitzell, Sr., local agent at Louisville, Ky., has been elected a director of Louisville Gas & Electric Co. He recently was reelected president of Louisville Better Business Bureau.



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Just as with the telephone, the Royal Insurance Company, Ltd.—which this year is celebrating its 100th year in the United States—has demonstrated the practicability of many changes and innovations which have helped and are helping to smoothly gear the insurance business to modern methods and progressive development.

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N.Y.C. 11
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DETAIL OF ESTIMATE

Length of Estimate		Length of Estimate	
Year	Month	Year	Month
1950	12	1951	7
1951	1	1951	2
1951	3	1951	4
1951	5	1951	6
1951	7	1951	8
1951	9	1951	10
1951	11	1951	12

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Insurers Oppose W. Va. Tax Move

Some 400 fire, casualty and life companies are in the process of arguing with the attorney general of West Virginia over a 50 year old statute by which the state is trying to apply a corporation license tax to insurance companies.

The attorney general has given an opinion in which he says that insurers should be liable for the tax, as well as "corporations."

More than \$500,000 in tax income to the state is involved which makes it improbable that the attorney general will change his mind without a law suit.

Meanwhile the state auditor has informed more than 400 insurers that they owe approximately \$1,000 each in back taxes plus interest for the last five years.

The companies filed a memorandum with the attorney general July 13, opposing application of the tax to them. A conference with the attorney general is expected in then ext few weeks.

The life companies and the stock fire and casualty companies have retained the law firm of Steptoe & Johnson of Charleston to handle their end of the suite. The mutual companies have retained Dale Casto of the firm of Kay, Casto & Amos.

Agents Take Board Farm Group on Poultry Field Trip

The farm committee of California Assn. of Insurance Agents was host last week to the farm committee of the Pacific Board on an all-day field trip through the poultry industry of Sonoma county.

Starting in Sonoma the party toured several of the new basket-type chicken houses. The Sonoma county association was host at a barbecued chicken luncheon where C. W. Carpenter of Petaluma, past president of the California association outlined the history of the poultry business. He pointed out that many of the changes in equipment and practices in the industry have not been recognized by the insurance companies.

Lewis J. Colby, Sonoma, arranged most of the details of the trip.

Oppose Ky. Auto Rate Hike

Proposed increases of approximately 20% in automobile liability rates in Kentucky are being opposed by Louisville Automobile Club and Blue Grass Automobile Club of Lexington. Representatives of the two clubs have complained to John P. Mallett, director of the department's casualty insurance division, that the increases were not justified because traffic accident fatalities are declining in the state. Kentucky motorists, they contend, are being asked to help pay for poor accident experience in other states.

Calling attention to the near state of emergency of many auto insurers because of the heavy demands upon them, Mr. Mallett explained that it is not merely a matter of accident rates, but hospital and doctor bills are higher and juries are inclined to make higher awards to accident victims than formerly.

Detroit Unit Under Marco

Henry J. Benner, president of Hospital-Medical Benefit Assn. of Adrian, Mich., announces the opening of a branch at 1624 Guardian building, Detroit. Ronald K. Marco, former assistant state manager of Great Northern Life, is the manager. He has been in the business 20 years.

Myers Buys Local Agency

A. C. Myers, Jr., Ohio state agent of Norwich Union, has purchased the F. E. Marsh agency at Canton and will take charge Sept. 1.

I.E.A. Is Revamped, Top Man Is Now J. R. Cooney

John R. Cooney, who is president of Firemen's and also president of National Board, has now been elected chairman and chief executive officer of Insurance Executives Assn. This organization has now been overhauled. The offices of trustees have been abolished. The chairman is to be elected annually from the membership. H. C. Conick of Royal-Liverpool is vice-chairman, F. E. Sammons, Hanover, treasurer, and J. D. Erskine is the secretary.

F. A. Christensen of America Fore was appointed chairman of the membership committee and G. L. Armstrong of Calendonian is chairman of the finance committee.

I.E.A. now has a membership of 35 chief executives representing 112 companies. A semi-annual meeting will be held at the Carolina hotel, Pinehurst, N. C., Oct. 19-20.

The objects and purposes of the association are set forth in amended articles. These include research, dissemination of the results of the research to the members and a forum for discussion, to encourage ethical conduct, to

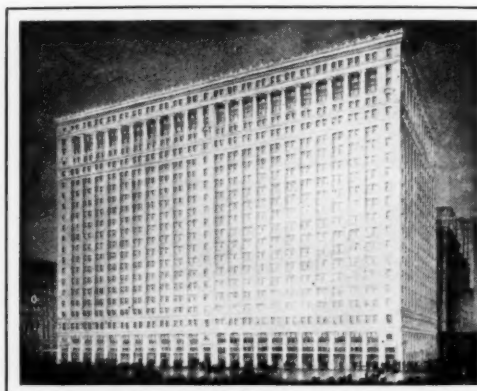
promote efficiency and economy in the business, promote better understanding of the business on the part of the public, to counsel with regulatory authorities, companies and rating organizations and to promote the public welfare.

New FR Law Pamphlets

NEW YORK—Publication of 14 new automobile liability security law pamphlets, which incorporate 1951 amendments and revisions of laws in Arkansas, Georgia, Indiana, Kansas, Maine, Minnesota, Montana, New Mexico, New York, North Dakota, Oregon, Tennessee, Vermont and West Virginia, has been announced by Assn. of Casualty & Surety Companies.

These are published as part of the association's supplement service, which keeps up-to-date its loose-leaf book, "Automobile Liability Security Laws of the United States and Canada." They contain a summary of the salient provisions and the complete text of the law.

Price of the complete book (58 pamphlets) is \$12, plus an additional charge for the supplement service. Copies of individual state laws may be purchased at 35c per copy.



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Learned Leaders



James S. Kemper, chairman of Lumbermen Mutual Casualty, presented Senator Robert A. Taft to the trustees of Ripon college to receive the honorary degree of doctor of civil laws at the Wisconsin school's commencement ceremonies. Mr. Kemper is a trustee of Ripon, and holds the honorary degree of doctor of letters from the institution.



Young Returns to Newark

McFarland Named Western Manager of American

John G. McFarland has been promoted to western manager of American at Rockford, Ill. He takes the place of John P. Young, Jr., who has been vice-president in charge of the western department and is now being transferred to the head office to assume



J. G. McFarland



J. P. Young, Jr.

administrative duties. Mr. Young is serving his second term as president of Western Underwriters Assn.

Mr. McFarland has been with American at Rockford since 1930 and recently has been assistant western manager. He is a native of Leavenworth, Kan., and was at one time with Kansas Inspection Bureau.

Fred H. Sabin and Kenneth C. Nelson have been named assistant western managers.

Mr. Young went with Southern Adjustment Bureau in 1919 and in 1925 became manager of the loss department of Dixie Fire of Greensboro, N. C. He went with American in 1929 when Dixie was purchased by American. He went to the Newark head office in 1939, the next year was elected assistant secretary and was named secretary in 1946. He was appointed western manager in 1947, and was elected vice-president in 1948.

Mr. Sabin started with Corroon & Reynolds and went with American in the western department in 1935. He has recently been superintendent of agencies.

Mr. Nelson lately has been field supervisor. He has been with American since 1935 at Rockford.

Fireman's Fund History Stresses Human Angle

A new history of Fireman's Fund has just been published. The story, "Fireman's Fund . . . a Character Sketch," was taken from a recent address delivered by President James F. Crafts, before the Newcomen Society of England, at San Francisco.

The central figure is an Italian fisherman who was burned out in the San Francisco earthquake and fire of 1906 and who was given another start in life, and a new chance, through the benefit of insurance. Mr. Crafts explained how this helped humanize Fireman's Fund.

"The earlier stories of achievements are the only ones I can justifiably mention here. And if with these stories I trespassed on your imagination or judgment in my attempt to prove that a company like Fireman's Fund possesses traits of character and a philosophy, I ask you to consider this: Insurance, the sole business of Fireman's Fund, is a promise, the promise to mitigate or lessen the consequences of mischance—a home in ashes, an accusation of negligence followed by a jury award that spells financial ruin, burdensome medical bills heaped upon the worry of seeing a child afflicted with polio. Does not the fulfillment of such a promise lend itself to being understanding, sympathetic—to having a heart? Does it not justifiably promote satisfaction and pride? And can a company experience

these things over the long years and not take on character, a philosophy?"

The book is profusely and beautifully illustrated in three colors. It may be obtained without charge by writing Fireman's Fund.

McPhaul to Glens Falls

Glen Falls has appointed Forrest M. McPhaul as special agent with headquarters at San Antonio. He was with Texas Insurance Checking Office and more recently with America Fore in Texas.

Blame Rains for Heavy Crop-Hail Loss in Kansas

Heavy rains and consequent floods are chiefly to blame for the 100% loss ratio already experienced by the crop-hail insurers in Kansas. One recent hailstorm in particular that covered an area 12 miles wide and 100 miles long caused extensive damage amounting to more than \$1 million. The hail people feel that if the rains had not flooded the fields and kept the combines from harvesting the crop that there would have

been practically no grain standing to be damaged by that storm.

There is still a good deal of ripe grain standing that is a perfect target for hail. Even a light hail at this stage can do serious harm.

Interstate Fire of Tennessee has been licensed in Georgia. It already is in Tennessee and Alabama. Solicitation is on a weekly premium basis by agents of Interstate Life & Accident.

Employers of Alabama has withdrawn from Ohio.

Democracy in the Making

FREEDOM OF THE PRESS . . . Elijah Lovejoy wrote for the St. Louis *Observer* condemning slavery and recommending gradual emancipation. He was requested to moderate the tone of his articles, but replied by reiterating his views and stressing his right to publish them. Threats of mob violence forced him to move to Alton, Illinois, where, in 1837, his presses were de-

stroyed and he was killed. The incident strengthened abolitionist sentiment and Lovejoy became a hero to friend and foe alike.

Our strict adherence to the principles of democracy has gained the confidence of the Agents of America, of which we have a great appreciation.

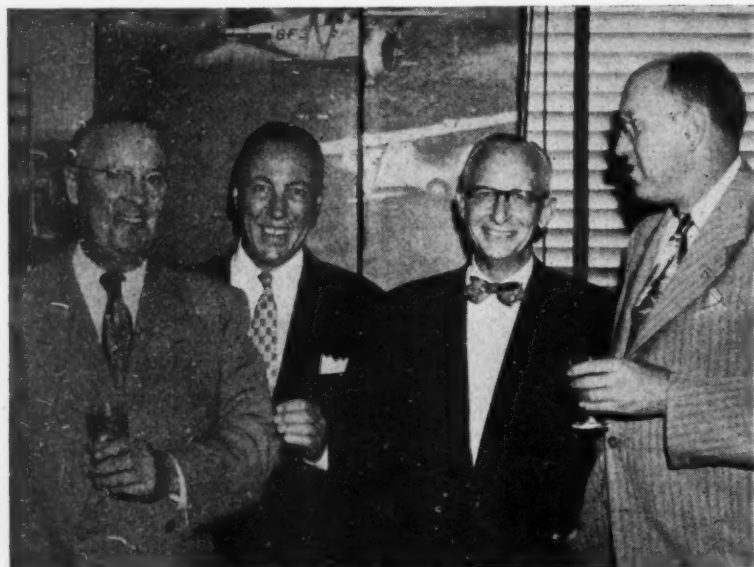
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UNITED STATES FIRE INSURANCE CO. Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch Incorporated 1851
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VIRGINIA CAROLINAS DEPT. DURHAM, N. C.



At company-agency conference at Chicago: Robert Byrne, Omaha local agent, E. H. Forkel, vice-president and western manager of National Fire; Harry M. Mountain, vice-president and western manager of Aetna Fire, and John A. Holmes of Ripley, president of Tennessee Assn. of Insurance Agents.

America Fore Names Five in Midwest Promotions

America Fore has made five promotions in the western department.

William E. Matchett, assistant secretary, has been assigned to the inland marine and general cover department. Raymond F. Jackson, assistant secretary, has been assigned to the underwriting department. A. R. Miller, northern Illinois state agent, has been named manager of the brokerage department. E. W. Cunningham, Ohio special agent, has been named manager of the inland marine department, and Roy Albright, Illinois examiner, has been made examiner-at-large.

Mr. Matchett started with America Fore in the Indiana field and later went to Chicago as executive special agent. During the war he went to Wisconsin as special agent and later returned to Chicago as executive special agent in the inland marine and general cover department. In 1948 he was named manager of the brokerage department.

Career of Jackson

Mr. Jackson joined America Fore as farm department underwriter and later was named Wisconsin special agent. He also traveled the Rocky Mountain field and in 1946 went to Chicago as inland marine manager.

Mr. Miller started his insurance career with America Fore in 1913 as an office boy in the western department. In 1919 he was named survey special agent in Ohio after having served in the army for 2½ years. He went to Iowa as special agent in 1921 and in 1926 became American Eagle Illinois special agent. He was appointed special agent for all companies in northern Illinois in 1927. He is a past president of Illinois Fire Underwriters Assn.

Mr. Cunningham started in the general cover department as a clerk in 1935. He was a field man-at-large for the general cover and inland marine department. After military service he returned to America Fore in 1947 and became special agent in Ohio.

Mr. Albright began his insurance career with the old Prussian National in 1917 and joined America Fore in 1929 as assistant examiner for Illinois. He was promoted to examiner in 1934.

Wash. Department to OK Limited Fire Deductible

The Washington department will soon permit the writing of deductible fire insurance on a limited basis. The department has declined the filing of one company, pending completion of its study.

The Washington Surveying & Rating Bureau has waived jurisdiction over deductible fire forms, opening a way to promulgation of a special order by the department.

The department, it is believed, will permit the use of deductible forms provided there is a minimum deductible of \$100,000 and that there is no primary insurance on the risk.

Further, the order is expected to require the company to submit the form on each risk written prior to date of attachment. At the end of each year a special call for experience on deductible business will be made of the companies.

Plan Iowa P.R. Program

Iowa Assn. of Insurance Agents is establishing a direct public relations program to be operated on a state-wide basis. According to B. W. Hopkins, Des Moines, president, the executive committee has decided to include professional assistance in an effort to educate the insurance-buying public on the advantages of purchasing coverage through local agents.

BANNON NO. 1 CASE

Ill. Revokes License for Delinquency in Accounts

The Illinois department has revoked the brokers and agents licenses of Terry P. Bannon, doing business as Reliance Insurance Agency at 166 West Jackson boulevard, Chicago. Hearing was conducted June 18 before Ramon L. Hanson, as hearing officer. He was prosecuted under a section of the insurance code that was enacted by way of an amendment to the agents and brokers law in 1949. This makes agents and brokers licenses subject to revocation for failure to pay balances within 90 days.

Ovedue Balances \$4,500

It was brought out at the hearing that he was overdue \$1,000 in his account with an agent and \$3,500 in his account with a company. He had fallen behind some time ago and was supposed to pay up his old accounts in monthly installments but he lapsed there, too, it was brought out.

This is the first revocation of license to be made under that section of the law.

The Illinois department, it appears, is giving much attention to the enforcement of agent and broker laws and is not winking at practices that are violative of the law, simply because they are commonly engaged in.

Floor Plan Cover OK'd

The New Jersey department has amended the nationwide definition to permit floor plan coverages, effective Aug. 1.

Wash. Goes Along

The term installment premium payment plan, the annual renewal plan, and the automatic reinstatement clause are now in effect in Washington.

AGENCY SUPERVISOR

A small company with a top reputation operating in 6 Midwestern states needs a man to supervise their agency system. This position offers a challenge to a man 35 to 45, who has multiple line experience. The salary and the future are both open. A producer will progress very fast.

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NATIONAL COST INDEX

MARSHALL & STEVENS

1872

In this year Yellowstone became our first national park by act of Congress.

One of the most spectacular sights in all the 3,500 square miles of the park is the geyser, "Old Faithful". Tourists can depend on it to perform without fail at an average interval of 65 minutes.

Policyholders have depended on the Orient Insurance Company for 79 years, ever since its founding in that same year, 1872.



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Problems Eyed in the Automatic Reinstatement Plan

Various aspects of the new automatic reinstatement program are being given attention these days by agents and companies. Everyone seems to feel that this is a step in the right direction but there is here and there some criticism as to detail and advocacy of changes in the program.

One of the criticisms most frequently heard is that of alleged discrimination in the working out of the clause under certain circumstances as between the man who pays a term premium in advance and one who has an annual premium renewal endorsement or is under the installment payment of the term premium. For instance, if an assured who pays the term premium in advance suffers a total loss and doesn't rebuild or replace what has been lost, he loses the premium for the entire balance of the term. That is so because the coverage is reinstated after a loss to the extent of and concurrently with the replacement of the property that is damaged or destroyed.

On the other hand, an assured who is paying the term premium in installments under the same circumstances would lose the premium only for the balance of the policy year in which the loss occurred.

Some are suggesting that something comparable to the casualty practice be instituted here. The casualty people provide under their term policies, following a loss, that they bill the insured for the premium pro rata from the date of restoration to the next anniversary date of the policy. However, there are some objections to making such a change. The fire insurance situation is not exactly comparable and there are many considerations involved.

Home Sounds Praises of M.L.S.O. Plan

Home has gotten out a bulletin setting forth in non-technical language the main features of the Multiple Location Service Office plan for writing reporting forms. It is being distributed to brokers in the New York metropolitan area. The terminology of the rate book is avoided and explanation is given in simple and straightforward terms.

Also there is a statement claiming advantages for the M.L.S.O. plan over the so-called independent plan of American Fore and its partisans.

On accounts with 20 or more locations and enjoying a good loss record, the M.L.S.O. standard plan, according to this statement, generally produces better rates than can be obtained on the other plan which offers no credit at all for favorable loss history. It is true, the statement declares, that cases will arise when the results will be different but extensive test-rating of many accounts under both plans demonstrates that the bureau plan rates for large profitable accounts can seldom be reached by the other companies on the plans which they individually follow.

On small accounts, the two plans, according to this statement, produce net rates that are very close together. However, it is contended that the bureau plan does have an advantage when applied to small premium accounts. The whole premium is subject to a small rate credit whereas the independent plan extends its credits based on size of pre-

mium and spread of risk, only to that portion of the premium in excess of \$1,000. Most multiple location reporting form accounts involve premiums smaller than \$1,000 and on these the M.L.S.O. plan is slightly more advantageous. However, the credit offered by either plan on premiums less than \$1,000 will for some risks be so small as hardly to warrant discontinuing the use of form A.

Adjusters Are Assigned

Bill F. Green has been appointed staff adjuster for American in central Illi-

nois with headquarters at Decatur and Lawrence V. Munro has been appointed staff adjuster at Flint, Mich.

Mr. Green attended Southern Illinois university and got his law degree from Washington University. He has been in charge of adjustments for American at Milwaukee. Mr. Munro has been engaged in the adjusting business for some time.

200 at Wichita Outing

About 200 persons attended the annual stag outing of Wichita Assn. of Insurance Agents at Yentruoc Resort.

An afternoon of sports was featured by a softball game between the "rate-cutters" and "rebaters," after which there was a buffet supper and entertainment.

New W. Va. Department Post

Ralph D. Keightley, Jr., has been appointed legal assistant in the West Virginia department, filling a post created by the 1951 legislature. Mr. Keightley attended Washington & Lee University law school.

Russell Bond has established Acme Affiliated Agencies at Buffalo, N. Y.

An Advertisement similar to this appears in SATURDAY EVENING POST, July 14 and in NEWSWEEK, August 20



"Distinguished Americans of a Century Ago". . . engraved by T. Doney in 1854. Courtesy of the New York Historical Society. Group includes Martin Van Buren, Hamilton Fish, Daniel Webster, William C. Bryant. Key to identities available on request to the Great American Group of Insurance Companies, Box 155, Wall St. Station, N. Y. 5.

Great Americans

These men helped to build our great heritage . . . the America we know today. But, the more we progress as a nation of property . . . the more vulnerable we become to the hazards of fortune.

For protection against loss; individuals and organizations . . . both . . . place their faith in the

world-wide facilities of the Great American Group of Insurance Companies.

Great American is represented by 16,000 local agents. A phone call to any one of them—or your own broker—will introduce you to the advantages of Great American insurance.

Great American Group
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GREAT AMERICAN • AMERICAN ALLIANCE • AMERICAN NATIONAL • GREAT AMERICAN INDEMNITY
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ALL FORMS OF INSURANCE EXCEPT LIFE

NEW MEXICO
Safety Engineer

Excellent opportunity for an experienced heavy construction man.

Mountain States Mutual Casualty Co.
Albuquerque, New Mexico

WORLD-WIDE FACILITIES FOR PRACTICALLY

Fireman's Fund Group New Southern Department Building Is Dedicated

Dedication exercises July 17 marked the official opening of the new southern department headquarters building of Fireman's Fund group in Atlanta. Business leaders, civic officials and agents of the organizations joined with company executives and staff members in ceremonies in the main lobby of the new colonial-type structure on Peachtree street at Fourteenth.

At the dedication, James F. Crafts, president, remarked that Fireman's Fund was the first fire company to establish a departmental office in the south, and with the dedication, the company is once

again manifesting its belief in the future of the south.

Guests were toured through all parts of the new building. The ceremonies, held in the morning, were followed by an open house.

Construction of the new southern department building was started in November of last year. The building, of traditional design, is constructed of masonry and steel. Its outside trim is Indiana limestone, contrasted with various color brick laid in Flemish bond. Windows are of colonial design, set in aluminum casements on marble sills.

In keeping with the architectural and landscaping customs of Atlanta, the building is set back from both Peachtree and Fourteenth streets.

Half of the first, or ground floor, is below the level of Peachtree street and is devoted to storage, supplies and printing. The other half of the ground floor contains the tabulating room, coding room and employees' recreation room. The main floor is on the level of Peachtree street and contains the executive offices and the fire and marine underwriting departments. The third floor houses the indemnity department, claim and loss departments, accounting and cashier's department and a central stenographic unit which serves all departments.

All floors are of steel and concrete, topped with asphalt tile. Ceilings are soundproofed with acoustical tile. The entire building is thoroughly insulated and equipped with modern air conditioning equipment and a circulating heat system. Located in the center of the building is a dumb-waiter which will be used to transmit work between all departments. This facility, like the passenger elevator which also serves all floors, is one of the many labor-saving features incorporated into the modern structure.

The recreation room on the ground floor has been outfitted with complete kitchen and snackbar facilities, including an electric stove and refrigerator. The room will be staffed by special help for the convenience of employees. Additional facilities will soon be added to the room so that it can also serve as a comfortable assembly and conference room for field men.

In the rear of the new building is a paved parking area which will accommodate up to 70 automobiles.

While the new building presently contains a gross area of slightly more than 30,000 feet and a useable area of approximately 28,600 feet, special provisions have been made for future expansion.

The southern home of Fireman's Fund houses more than 200 employees and is the headquarters for the more than 30 field men who service agents of the company throughout the south. Ample space is presently available in the building to allow for contemplated additions to the staff.

Until last year, operations of the southern department were confined to production and servicing of fire and marine business. An important step toward complete group operations in the southern territory was taken last year when the formation of the new southern indemnity department in Atlanta was accomplished.

The southern operations are under the supervision of John H. Dillard, vice-president and manager. He started his insurance career in 1920 and joined Fireman's Fund in 1927 as automobile superintendent. Loyale W. Stynchcombe, Thomas E. Sims, Jr., and John L. Earl are assistant managers in Atlanta.

Among the vice-presidents and departmental managers of Fireman's Fund who traveled to Atlanta for the dedication and open house events were: Edward D. Lawson, western department, Chicago; Louis W. Niggeman, Atlantic marine department, New York; and Arthur T. Fleischhauer, eastern department, Boston. Among the retired staff members who were paid special tribute for the part they played in the success of Fireman's Fund in the south was Frank Sewell who retired from Fireman's Fund in Atlanta in 1948 after 47 years of service.

A good name to remember
whenever you have
A difficult or unusual risk
to place

Mac Gibeny-Wilkerson-Grupe, Inc.

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LLOYDS, LONDON FACILITIES COMBINED WITH THE
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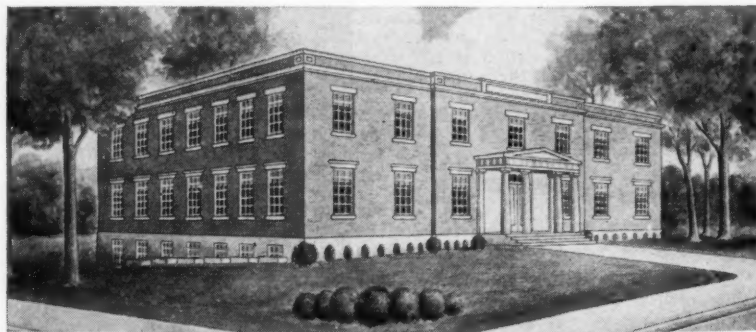
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At the top is the architect's drawing of the new southern department headquarters of Fireman's Fund on Peachtree street at 14th in Atlanta. In the middle is the lobby which houses the switchboard and receptionist's desk. At the bottom is the fire underwriting department with the reinsurance department and general cover departments in the rear. These are located on the main floor and readily accessible to agents and brokers.

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"The Central's Strength inspires progress!"

**Representing The Central assures friendly cooperation,
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When an agent is an enthusiastic Central booster for 18 years it indicates that The Central's wholehearted interest in the Agency plan has accomplished one important objective . . . it has helped build another strong and growing business. Complete Agency cooperation and SERVICE is a rule at The Central, where planned programs of business building promotions mean increased business for Central agents everywhere. Take the first step in learning how The Central can help YOU increase premium volume. Send the coupon TODAY!



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MR. IRVINE WRITES:

Eighteen years ago, in 1932 to be exact, we persuaded The Central to give us their facilities for insurance in Mobile, Alabama, the Azalea City.

With the very splendid financial statement of The Central and with their friendly agency cooperation and able management, full confidence was inspired and great progressive strides have been made.

We have appreciated the close contact with The Central and have enjoyed each year of our business relationship.

Yours for many more years of friendly cooperation between us.

George R. Irvine

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CENTRAL MUTUAL INSURANCE CO.
Van Wert, Ohio

Please send me complete information about The Central's Plan
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BRANCHES: Atlanta, Boston, Chicago, Dallas,
Denver, Los Angeles, Montreal, New York,
San Francisco, Toronto.

American Names Graham, Combs in Eastern Posts

American has named Richard B. Combs as special agent and Donald Graham, Jr., as staff adjuster at Hartford. Mr. Combs replaces Special Agent Wayne W. Watson who is being transferred to New Jersey, and Mr. Graham replaces Lamar E. Chamberlain, staff adjuster, who has been recalled for military service.

Mr. Combs was educated at Wesleyan University and served with the navy during the war. He has completed the educational course in the home office, and for several months has been in the New Jersey field.

Mr. Graham was educated at Colgate University. He has had several years' experience in claim investigating and staff adjusting previous to joining American.

Loyalty Group Adds

D. L. Miller to Mich. Staff

The Loyalty group has now stationed a third field man at Jackson, Mich., in the person of Donald L. Miller. He will represent the Milwaukee and National-Ben Franklin. Jackson is the field headquarters for Michigan outside Detroit.

Floyd W. Buschlen, who formerly

represented Firemen's and National-Ben, will now confine his attention to Firemen's and G. R. Mordo gives up representation of the Milwaukee and continues with Girard and Pittsburgh Underwriters.

Mr. Miller is resigning as Wisconsin and Illinois state agent for Buffalo to make this connection. His headquarters have been at Rockford, Ill. He was for many years at the head office of Buffalo before being transferred to Rockford sometime after returning from navy service during the war.

Aetna Fire Names Four in Midwest Appointments

Richard E. Trebing has been named special agent in Michigan for Aetna Fire, associated with State Agent J. L. Mowatt in Detroit. Mr. Trebing graduated from Illinois Wesleyan University and since that time has been trained in various departments at Chicago. He is a navy veteran.

Michael J. Grob has been appointed special agent in Ohio associated with State Agent S. R. Terwilliger in Toledo. Mr. Grob has spent considerable time in the underwriting departments. Recently he has been taking special training in preparation for an assignment as a special agent.

Lester C. Six has been named special

agent in Wisconsin associated with State Agent P. F. Schrage in Milwaukee. Since his graduation from the University of Indiana Mr. Six has been taking an intensive field training course.

Harry B. Jacobs has been appointed farm special agent in Iowa. He entered insurance in 1941 and has had experience in the Chicago office of Aetna, operated his own agency and served as farm field man in northern Illinois.

Forrest E. Betts, Los Angeles attorney, discussed the relation of at-

torneys to adjusters at a meeting of Casualty Adjusters Assn. of Southern California at Los Angeles.

Home Shifts York to N.C.

Home has transferred Arthur C. York, Jr., special agent, to Charlotte, N. C., where he will be under the supervision of resident secretary, J. Carter Cook. Mr. York, who has been at New Orleans, has been with the company since 1949 and has been a special agent since 1950.

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER — FIRE & CASUALTY EDITION

FOR THE AMBITIOUS MAN

Who is looking for opportunities in the casualty insurance business that presently seem far away; this company may have just what you are seeking. We are interested in bringing several young men into the company now as salesmen where promotions for managerial and executive work can rapidly be earned. Immediate placement can be made at Cincinnati, Chicago, St. Louis, Cleveland and other Mid-west locations. For record of company's growth and financial condition, refer to the Argus Chart or any other factual trade publication. Direct applications to . . .

Personnel Department
Manufacturers & Merchants Indemnity Company
35 East Seventh Street
Cincinnati 2, Ohio

WANTED TOP BOILER & MACHINERY PRODUCER

The man we want must have thorough knowledge of boiler and machinery insurance, a pleasing personality and the ability to inspire the confidence of large agents and brokers, and work with them in soliciting important accounts. He will supervise production for one of the leading writers of this coverage in the middle-west, and if he shows the necessary qualifications he can look forward to an executive position with the company. Reply in detail giving history, a photograph and salary requirements. Replies will be held in strict confidence and interviews arranged promptly. Address G-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT TRAINEE

An excellent opening for person interested in being a Special Agent with a Mutual Casualty and Fire Company. We are interested in men with some underwriting, agency, sales, claim, engineering or other insurance experience. In reply state age, marital status, experience, education, and salary. Information will be held confidentially. Address G-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT FIRE EXAMINER

Western Department located in Chicago offers splendid opportunity for experienced underwriter. Our employees know of this ad. Replies confidential. Address G-31, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENTS WANTED

Due to revision of territories, a Mutual Casualty Company with Home Office in Ohio has the following Special Agent openings for men with automobile and casualty experience in the following locations: (1) Cleveland, O. area (2) Bucyrus, O. area (3) Cincinnati-Kentucky area (4) Canton, O. area (5) Athens, O. area (6) Central and Western Pennsylvania. Knowledge of fire and allied lines very helpful. In reply give full facts as to experience, salary, and personal history. Information kept confidential. We pay salary, expenses and furnish automobile. Address G-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE MAN

Prominent Stock Insurance Company has position for field man with Casualty and Surety knowledge, to develop and manage Southern territory. Field experience desirable but not essential if applicant has sales ability and other qualifications. Excellent opportunity for right man. State age, experience, education, and salary desired. All replies confidential. Our employees know of this advertisement. Address G-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogers, 9014 Wilshire Blvd., Beverly Hills, California.

ASSISTANT LOSS SUPERINTENDENT

Experienced fire loss man for western department located in Chicago. Excellent opportunity. Phone Mr. Woodward, FRanklin 2-2795.

SPLENDID OPPORTUNITY

for
SOUTHERN ILLINOIS
FIRE AND CASUALTY SPECIAL AGENT
State age and past experience when replying.
AMERICAN INDEMNITY COMPANY
P. O. BOX 1259 Galveston, Texas

CASUALTY UNDERWRITER

Large company has attractive opening for college man about 35 with retrospective rating and general experience in casualty lines and some mathematical training. Attractive salary. All replies confidential. Address G-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

I. B. M. TAB DEPARTMENT SUPERVISOR

Excellent opportunity for a man to take charge and direct operations in a Western Department Multiple Line Insurance Company Office. Experience in Casualty statistics necessary. In reply give full outline of your experience and personal history. Replies confidential. Address G-28, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

THE NEW ZEALAND INSURANCE COMPANY LIMITED

William M. Houston — United States Manager

United States Head Office — San Francisco — since 1875

FIRE — MARINE — CASUALTY — AUTOMOBILE

"SERVICE BEYOND THE CONTRACT"

HOTEL

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AT THE CENTER OF EVERYTHING

A splendid location in the heart of Downtown Los Angeles. 555 delightful rooms, all with all modern hotel facilities.

555 ROOMS FROM \$3

Outstanding Food — Ye Old Oak Tavern; also popular Sub-Marine Cocktail Lounge . . . Garage Adjoining.

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Billy, Dennis and Frank—All Sullivans

The three Sullivans that are members of National Assn. of Insurance Commissioners, as viewed at recent N.A.I.C. convention at Swampscott, Mass.:

W. A. Sullivan, state of Washington; Dennis Sullivan, of Massachusetts and Frank Sullivan of Kansas, the new president of N.A.I.C.



Package Policy Trend Evident at Texas Hearing

Important trends toward the writing of so-called "package policies" of fire and casualty coverages, at least in principle, became evident in various requests for modernization of rules and forms filed for consideration of the Texas department at its annual hearing at Austin. More than 150 persons attended. Fire Commissioner Brown presided.

In addition to the "package policy" suggestions, which requested approval of attachment of the residence and outside theft and the comprehensive personal liability endorsements to the Texas standard fire policy, major high-

lights were:

Request for an all-risk form and rate for writing mobile farm machinery under the fire policy;

A request from Associated Factory Mutuals for permission to write insurance up to the full replacement value of selected risks;

A request by the Texas Insurance Advisory Assn. for modernization of fireproof standards in accordance with regulations of the National Board;

A repeated request by Texas Assn. of Insurance Agents for replacing the wind-driven rain clause in the standard policy;

Various requests for permission to write fire deductibles in sums ranging from \$1,000 to \$250,000;

And a series of suggestions for revision of the rules for determining fire record credits and debits. Suggestions would limit the change in standing to five points, up or down, in any one year as against the present 40-point limit; restrict application of the rule to incorporated towns only, and take 10 years, instead of five, as the period of experience.

In addition to Commissioner Brown and Casualty Commissioner Gibbs and Life Commissioner Butler, those taking prominent parts in the hearing included: Norris W. Parker, manager, and Will C. Thompson, attorney Texas Insurance Advisory Assn.; Paul Benbrook, manager southwestern department, National Bureau of Casualty Underwriters; Porter Ellis, Dallas, chairman of the rates and forms committee of the Texas association; Ambrose Kelly, Associated Factory Mutuals; Joe J. Magrath, Federal; J. O. Smith, Sr., Trezevant & Cochran, Dallas, and Ralph Soape, Dallas attorney.

(CONTINUED ON PAGE 12)

EVERYTHING DEPENDS UPON RENEWALS

Everyone who is engaged in business has the same ultimate objective — a secure and comfortable old age. Applying this thought to the insurance business, it means that we must look to our renewals to keep us during the later and less active years of our business careers.

So — renewals become a mighty important part of your business, don't they? And that prompts this question: What are you doing to protect your renewals? If you are depending upon your agency to take care of you later in life, would it not seem wise to so write your business today that your competitors will not have anything sufficiently more attractive to be able to disturb it later on?

Agents of Lumbermens of Mansfield find they not only have more time to devote to the solicitation of new business but they look forward to the future with a great deal more confidence than might otherwise be the case.

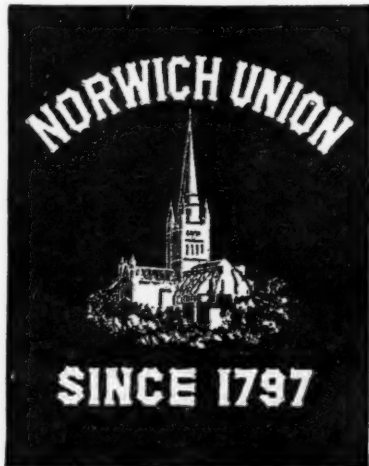
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Clarke Smith, deputy U. S. manager of Royal-Liverpool and Fred V. Griffith, Jr., of Kansas City at company agency conference at Chicago.

Mr. Ellis announced that a supplementary brief would be filed in support of the agents' desire to have the wind-driven rain clause replaced in the standard policy. Earlier this year a similar request was denied by the board, Mr. Brown said, because of insufficient data. Mr. Ellis also requested a rule change on business interruption coverage that would permit blanket insurance under the gross earnings form with 50% or higher coinsurance. Another request was for a reduction up to 50% on E.C. rates for contents of all classes of buildings except dwellings.

Mr. Kelly, for factory mutuals, asked approval of a repair or replace endorsement that would permit the writing of insurance up to the full replacement value of the property. He said that his companies offer such coverage to "very selective" risks and that on the basis of 10 years' experience there had been no increase in moral hazard. He also asked for the writing of reporting form policies for a three-year term.

Mr. Magrath of the Chubb & Son group urged approval of rules and rates for use with deductibles on fire policies, ranging from \$5,000 to \$250,000, with rate credits for the various brackets. He pointed out that the coverage is especially attractive to businesses that are self-insurers, with about \$1 million in premiums for such business having been written in the last year. The deductible program presently is restricted to fire insurance but may be offered later on E.C., Mr. Magrath said.

Grand Nest Plans

PHILADELPHIA — Registrations for the Blue Goose Grand Nest convention here at Benjamin Franklin Hotel Aug. 21-23 will begin on the 20th with a reception that evening. The annual golf tourney will take place the next morning with a sight seeing tour to Valley Forge park and other historic sites and dinner in the evening.

The official formal opening session

takes place the morning of Aug. 22. That will be followed by a ladies' luncheon, a cocktail party and dinner. The official meetings will terminate on the 23rd with a memorial service followed by the good fellowship banquet and ball.

Joseph R. Knowlan, wielder Penn Pond, is the general chairman.

Change Tax Figuring Base

The House passed by unanimous consent Rep. Kean's bill to require that a marine insurance company subject to excess profits tax shall consider 50% of its reserves as equity capital in computing the tax under the equity capita method.

Rep. Cunningham asked if government departments concerned approved the bill. Kean replied the treasury did. Kean presented that department's letter stating its position, and spoke briefly in explanation of the bill.

Fred Davey to Miami Agency

MIAMI — Sertel-Reducka has elected Fren N. Davey as vice-president and manager of its aviation department. It was Mr. Davey who is credited with writing the first airplane insurance policy in the U. S. in 1919. The plane was a Curtis Seagull valued at \$5,000, which was totally destroyed within 30 minutes after the insurance became effective.



Fred N. Davey

Starting as payroll auditor of Travelers he soon became workmen's compensation special agent and underwriter for that company at New York. Later he became assistant manager of the New York metropolitan department of Royal Indemnity and from 1914 until 1928 was in charge of the aviation department of Marsh & McLennan. Among the aircraft he insured at that time were Charles A. Lindbergh's "Spirit of St. Louis" and Amelia Earhart's "Friendship," and in 1927 he insured the first aircraft operated by Pan American Airways between Miami and Havana.

In 1928, Mr. Davey became vice-president of Aero Underwriters Corp., which was reorganized in 1932 as Aero Insurance Underwriters.

Mr. Davey became manager of the aviation department of John C. Paige & Co. of New York and Boston in 1946, remaining until his decision to make Miami his permanent home.

Jet Fuel Blast Loss Is \$3 Million

An explosion which ripped apart an entire 18-inch steel reinforced concrete test cell of the Allison division of General Motors at Indianapolis last Thursday killing eight employees, caused insurance loss estimated at more than \$3 million. The insurer is Factory Insurance Association through Johnson & Higgins.

The Allison division makes and tests jet aircraft engines. There are a number of "test cells," and 20 of them were destroyed or damaged. According to the company, a plant patrolman stationed in the vicinity of one of the cells reported fuel leaking out onto the floor and running into the basement. He asked for help to handle the situation, remarking that if a spark should hit the fuel it would set off an explosion. Before inspectors could be sent the cell blew up.

Allison had a blanket fire and extended coverage policy on its testing buildings and equipment. Western Adjustment is handling the loss.

Firemen's Enters Jamaica

Through American International Underwriters, Firemen's of Newark has been entered in Jamaica. Harry Edmondson has been appointed agent in Kingston.

FRED I. PATTERSON, 58, operator of Patterson Adjusting Bureau at St. Petersburg, Fla., died in a local hospital there. Before entering the independent adjusting field he was with Lumber Mutual Casualty and Metropolitan Casualty.

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Nelson States He Has No Gubernatorial Intentions

ST. PAUL — Commissioner A. Herbert Nelson, who took office only two months ago, has stated that he has no intention of running for governor in 1952. He said he hopes to conduct his office in such a way as to merit re-appointment when his term expires Feb. 1, 1953. His statement was prompted by the recent announcement that Gov. Youngdahl will resign Sept. 1 to accept a federal judgeship at Washington. Youngdahl will be succeeded by Lt. Gov. Anderson.

In 1948 Commissioner Nelson and Anderson were rival candidates for lieutenant governor, Anderson winning out in the primary. Nelson has long been a close friend of Gov. Youngdahl and was drafted by him to take over as commissioner when Armand Harris resigned recently.

"It would certainly be betraying public and professional confidence in me to consider leaving this office a few months or a year after I accepted it," Commissioner Nelson said. "The few months of my experience in the department indicate to me that much can be done to protect and foster the public's interest in insurance."

The commissioner said he has in mind two needed improvements. They are a much stricter license examination to make for better qualified agents, and a modernized Minnesota standard fire policy.

New Mexico Pond Elects T. A. Banks at Annual Rally

New Mexico Blue Goose at its annual meeting at Albuquerque elected T. A. Banks, General Adjustment Bureau, as most loyal gander to succeed Henry M. Howland, Phoenix of Hartford. N. G. Cary, St. Paul F. & M., was elected supervisor; Taylor Powelson, G.A.B., custodian; Wade Parker, Ritter General Agency, guardian; Richard Cottrill, Loyalty group, keeper, and W. W. Wimer, American, welder. Mr. Howland was elected delegate to the grand nest convention.

After the meeting there was a banquet and the next day about 30 of the ganders had a golf match followed by the annual family picnic in the Sandia mountains.

The ladies' auxiliary elected Mrs. William F. Ehret, whose husband is with Continental, as president, to succeed Mrs. Earl J. Neville. Mr. Neville is with Aetna Fire. Mrs. A. U. Gaines was named vice-president and Mrs. Taylor Powelson was elected secretary-treasurer.

Adds to the Gifts

Commercial Union gave presents totaling \$600 to the driver and his assistant of a Brink's, Inc. armored car that foiled a holdup on their truck at Chicago and killed two bandits. These men also received awards from Brink's totaling more than \$7,000. The presentations were made at ceremonies that were extensively publicized. Commercial Union has the Brink's insurance. This was undoubtedly an especially important event to Brink's which couldn't help but be smarting under the Chicago incident in which two guards were killed while leaving the premises of a bank and the sensational million dollar robbery at the Brink's premises at Boston.

Fete Countryman, Mills

More than 100 persons attended a dinner at San Francisco honoring Russell L. Countryman, Pacific Coast manager of Norwich Union, and Harold F. Mills, Pacific Coast manager and vice-president of Aetna Fire, both of whom recently retired.

Mr. Countryman started in the business in 1906 while Mr. Mills dates his career back to 1898. R. H. Griffith, vice-president Glens Falls, was in charge of the dinner.

Jensen to Blakely General Agency as Fire Manager

J. S. Jensen, for the past 34 years an employe of Fire Association and Kansas field man for the past 23 years, has been appointed manager of the fire department of the C. G. Blakely & Co., general agents, Topeka, Kan. Mr. Jensen is a well known field man and has many friends among the agents and field men.

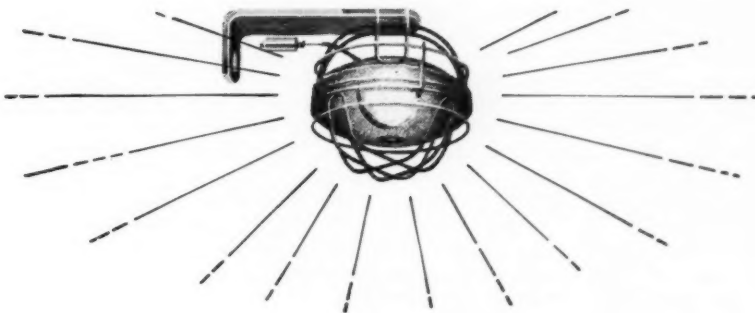
C. G. Blakely & Co. are general agents in Kansas for the Commercial Standard and the Commercial Standard Fire.

Knapp to San Joaquin Field

American has appointed Ralph W. Knapp as special agent for the San Joaquin Valley, Cal., with headquarters in Fresno.

Mr. Knapp was with American's Pacific department at San Francisco for some time prior to his army air force service. In 1946, he joined his father in the local agency business in Oakland and spent five years there. In April he returned to American.

W. W. Burt of Sioux Falls, S. D.; E. H. Born, manager of Western Underwriters Assn., and Ivan H. Anton of Des Moines, at company agency conference at Chicago over which George Carter presided.



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EDITORIAL COMMENT

Room for Philosophies, Bureau — Plural

With the announcement that Insurance Executives Assn. has expanded its functions to cover all lines of insurance its members write, except life, there may revive talk of one over-all fire-casualty executives' association. Perhaps there may be further comment on a national rating organization for all lines except life, as there was a few months ago.

We do not think either one of them will come for a long time, if ever. Part of this is due to the size and complexity of the business, which is extensive enough to accommodate two philosophies, either on high policy (fire and casualty) or, say, on the detail of rating package policies (multiple peril or all risk and named peril or schedule).

To discuss only the rating matter, it is not likely, for instance, that the multiple peril rating organization will absorb the casualty and fire rating organizations, whether big and national or small and localized or specialized. Or, for that matter, that the independent organization set up for multiple location business, which has broad enough powers to rate named peril package policies and which will as time goes on probably devote more and more of its energies to that phase of its operations, will ever do much absorbing of other rating bureaus.

Even if there were two rating units devoted exclusively to the package policy field, which there may eventually be, separate operation could be more fruitful of coverages and ways of doing certain kinds of business than one—without imposing an undue burden of expense on the business, and without creating so many policies, or standards of coverage, that the public is confused, and agents and insurers frustrated.

For example, there are certainly two well defined underwriting philosophies as respects the package policy, and a reluctance to follow one to the exclusion of the other does not imply that the proponents of the other viewpoint should be suspect as to motive and character. One underwriter honestly believes that the public is better served and insurance effectiveness achieved with an all risk type of contract sold at an indivisible premium—the manufacturers output policy, the householders package policy, etc. Another underwriter, with equally sound experience and as high a degree of honesty, may be as convinced that he must stick to schedule underwriting, that he must name the perils for his own guidance

and to establish an understandable limit on the boundaries of his contract.

If there are half a dozen or so companies that look at a problem in the same way and want to do about the same thing with it, which is different from the way in which other companies want to operate, they need a licensed, supervised rating organization to accomplish their purpose. They can't agree among themselves without running afoul of the anti-trust laws. Hence "one more bureau" may be absolutely essential as well as desirable.

If an individual company wants to do something different, it has to use its top, key executives, already busy on a hundred other matters of prime consequence to the company. In the matter of expense it may be sound management to join with other companies of like mind and form a rating organization.

Bureaucracy in insurance is the subject of occasional criticism. Usually this is of bureaucracy per se. And there may be some overlapping that is wasteful. Another bureau, where there are so many, seems excessive. Yet close examination of the work to be done shows that someone has to do it, that it is essential work, and that the unit doing it is probably soundly and efficiently managed. A new one may be no more or not much more expensive than a new department in an existing bureau.

Another thought in connection with some of the novelties that have been introduced in the last few years and some of the independencies that have been displayed: The most independent of companies recognizes that what makes the sale of insurance easy (or anything else, for the most part) is similarity of product. An automobile that doesn't look basically like other automobiles, for example, will not get far in the mass market. There may be differences, and these may be used as talking points. But there can't be a welter of insurance forms purporting to cover the same risk in the same market. There can be some divergence. But the managements of all sound companies are about equally responsible for and concerned with showing an underwriting profit and maintaining a firm and steady underwriting course. No one is going to lose his shirt, or that of his company, if he can help it.

One of the dangers inherent in the indivisible premium package is that a policy basically 90% burglary but containing some other insurances will be unduly enlarged on the 10%, but un-

measurable, side in order to get the business. How much additional should be put in and what should be put in—that depends on underwriting logic and judgment and caution as well as competition. Here of course a state supervised rating organization exercises some discipline over its individual members. That is part of its function, and to that extent its operation is superior to an individual company going it alone. Though the individual company be the soundest in the business, it still does not have the bureau, group check. Most insurers, as a matter of fact, seek ready reference to the experience of others on the same coverage and risk. It is one of the functions of underwriting to check and recheck against known experience, wherever it may be found. A rating bureau that does its job must

insist on a justifiable relationship between the premium under named peril experience and what is charged in an all risk package for the same element. Differences must be justifiable.

It is illogical to suppose that any reasonable insurance company will do anything to sabotage existing rate structures. All insurers have in these structures a big investment of time and money. They are invaluable. No one or two or dozen companies has less to lose than any other one, two or a dozen companies as the result of misjudgment or unsound practice.

The business today is big enough for competition in philosophies as well as services—where the philosophies are based on conviction, good sense and a desire to do a better job for the public and the business.

PERSONAL SIDE OF THE BUSINESS

K. C. White, general manager of Underwriters Adjusting, was stalled in the Kansas flood at Emporia for three days on a Santa Fe train en route to call on C. C. Crow, Jr., Wichita manager, who is confined to his home with a heart attack, and Frank N. Jacks, Kansas City district supervisor, who is recovering from an automobile accident. He finally was able to get to Wichita from Emporia but the later flood prevented his reaching Kansas City so he returned to Chicago.

J. G. Hiestand, vice-president and secretary of Ohio Farmers, has been chosen to lead the U. S. Boy Scout band playing at the world jamboree of Boy Scouts at Bad Ischl, Austria, in August. The band is composed of 70 Boy Scout musicians chosen from virtually every state. Mr. Hiestand has for a number of years led his own Boy Scout band and was a leader of the band at the New York world's fair in 1939-40. He is vice-president of the Akron area council and the father of two Eagle Scouts.

Mrs. Hiestand will accompany him on the trip.

Elmer Schaefer, vice-president of Fred S. James & Co., Chicago, and Mrs. Schaefer have returned from a month's trip to Alaska.

Cad P. Thurman, Kentucky state Agent for Continental Fire, and former Kentucky commissioner, returned to his home at Louisville recently after a few days in a hospital there, but now is back at the hospital. Mr. Thurman has been suffering with heart trouble for some months.

Earl E. Fisk who conducts local agencies at Green Bay, Neenah and Appleton, Wis., was prominently featured in the Chicago Sunday Tribune book review column of Fanny Butcher under the caption "The Influence of a Wisconsin Reader." She tells how Mr. Fisk influenced his friend the publisher, Alfred A. Knopf, to publish "The Collected Tales of A. E. Coppard," and how Mr. Fisk demonstrated his prowess as salesman to get this book to be declared as the dividend of the Book of the Month Club. All of this, Miss Butcher

writes, "is the result of a literary enthusiasm of 30 years on the part of Earl E. Fisk, an insurance man in Green Bay, Wis., who has had an influence on American reading which few suspect. He has been not only a collector, but a working enthusiast for literature, an ardent sharer of whatever he considers 'a literary blessing.'"

Mr. Fiske became a devotee of Coppard in 1921 and he induced Mr. Knopf to publish one of his works in this country at that time. It was also at Mr. Fisk's suggestion that Knopf brought out "The Collected Tales of A. E. Coppard" and then more recently Mr. Fisk got testimonial letters from both British and U. S. writers with which he convinced the Book of the Month Club to declare this volume as the dividend.

Thomas O. Carlson, actuary of the National Bureau of Casualty Underwriters, was flying from Wichita to Chicago late last Saturday when the flood waters had reached their peak in the two Kansas cities. The plane was scheduled to land at Kansas City, but the order had just gone through banning all landings at the municipal airport there, with the flight on which Mr. Carlson had started to Chicago. The pilot lives at Kansas City and was much interested in the spectacular flood waters. He flew over the city at an altitude which permitted passengers to see the results of the devastating waters, including floating box cars, fires, vast areas under water, etc. The plane forewent the landing at Kansas City and continued on to Chicago.

A. L. Dennison, president, and **Culver Riley**, general manager, are on a tour of the Canadian group U. S. offices. They are at San Francisco this week.

F. M. Pruett Named Kansas City Manager for P.W.

Providence Washington has appointed Frank M. Pruett as manager at Kansas City. He has been state agent in Missouri. Prior to joining Providence Washington in 1948, he was with Home.

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DEATHS

L. L. HUNNICUTT, 68, retired associate engineer of Southeastern Underwriters Assn., died in a private hospital at Gainesville, Ga. Two days earlier, while visiting his uncle, W. R. Prescott, southern manager of Hartford Fire at his summer home at Lakemont, Ga., Mr. Hunnicutt was taken ill.

Mr. Hunnicutt retired in 1947, after 42 years with S.E.U.A. In 1916, he became assistant secretary to the sprinklered risk committee and 10 years later was promoted to secretary. He served for many years as a member of the sprinklered risk committee of N.F.P.A.

Mr. Hunnicutt graduated at Georgia "Tech" in 1904.

JOHN W. WEST, associate manager of the livestock transit department of Hartford Fire at Cincinnati, who was injured in an automobile accident June 26, died at the hospital at Dayton, Ky., of his injuries. His home was on a farm at Alexandria, Ky. The accident happened while Mr. and Mrs. West and their two children were driving home from an ice cream party. In the rain they went over an embankment and into a creek and Mr. West suffered a broken arm and pelvis. Mrs. West was discharged from the hospital on the day that her husband died.

Mr. West's father, who died eight years ago, was R. H. West, who originated the transit insurance plan, and who was general manager of the transit department of Hartford Fire until his death. John West was about 55 years old.

J. SCOTT HOUSTON, partner in the F. W. Williams state agency at Meridian, Miss., died there on Friday, July 13. He started with this agency, which is Mississippi general agent for Fidelity & Guaranty, in 1936 and became a partner in 1946.

HARRY W. THARP, 60, prominent in adjustment circles in Wichita, Kan., since 1925 and operator of Tharp Adjustment Co. there from 1939 until his retirement in 1947 due to ill health, died of a heart attack in a Wichita hospital. Mr. Tharp was with Mo-Kan-Okla Adjustment Co. in Wichita, Universal Adjustment & Inspection Co. of Kansas City and Employers Mutual Casualty before organizing his own firm.

JOHN EASTMAN of the Boston agency of Field & Cowles, died at his home at Framingham, Mass., at the age of 71. He was one of seven brothers to be graduated from Amherst.

ARTHUR E. BROWN, prominent independent adjuster of California, died Monday and the funeral is being held

at Sacramento. He was general manager of Brown Bros. with headquarters at Sacramento and with branches throughout the state and just recently had formed an association with Frank Tidwell, this having to do with Los Angeles operations.

F. T. HOLLIDAY, president of Monarch Steel Co., who died at Indianapolis at the age of 52, was a director of American States and of Agents' Finance Co.

EDWARD DE YOUNG, 54, local agent at Des Moines, Ia., died of coronary thrombosis at a local hospital.

ARTHUR M. COX, 48, underwriter in the metropolitan department of Pearl, New York City, died at the Verona, N. J., hospital.

LOUIS O. TRACEWELL, 55, adjuster with Western Adjustment at Evansville, Ind., died Monday.

Me. Farm Rate Concession Granted in New Filing

The new farm rating program for New England goes into effect in Maine Aug. 1. It was introduced in the other New England states May 1, but there are some changes since then that were incorporated in the Maine program and will now be made applicable to the other New England states as well.

The farm inspection report has been clarified and simplified. There is a cross ruled section on the blank to expedite the diagramming of farm buildings.

Farm rates are made applicable to risks with more than four head of livestock instead of two head and to risks housing more than 300 birds of poultry instead of "raising over 100." Accordingly fowl that are kept outdoors will not count toward making a risk a farm. In the past using either an incubator or a brooder would make a risk a farm regardless of the number of birds but now only brooders are referred to in the definition.

The qualification for superior risk treatment that a farm must have three or more buildings and public or private fire protection is eliminated. This means that many more farms will be eligible for this treatment which produces lower premiums through specific rating.

There is a new rate of 70 cents for range poultry.

In Maine there is a reduction of the statewide base rate for farms from \$1.50 that was originally proposed in the May 1 filing to \$1.25. Maine agents had objected to the higher rate.

G. L. Parker Is Promoted

Sun has appointed G. L. Parker assistant secretary. He joined the U. S. branch in 1950, after serving in the Canada branch 20 years.

Sterling Alexander Now N.A.I.I. Man

Sterling Alexander, who on July 1 completed a four-year term as insurance commissioner of Iowa, has been appointed general counsel of National Assn. of Independent Insurers, the headquarters of which are at Chicago. Mr. Alexander expects to open a new law office at Des Moines and for the time being at least his base of operations for N.A.I.I. will be at Des Moines also. He will engage in public relations, legal research and representation of N.A.I.I. at insurance industry meetings and before insurance departments.

Mr. Alexander was born at Jewel, Ia., and graduated in law at Drake. He had the highest scholastic standing at the time of his graduation that had been recorded at Drake up to that time. He was engaged in law practice with Wesley Martin at Webster City, Ia., until Mr. Martin died and Mr. Alexander became insurance commissioner in 1947.



Sterling Alexander

Permanent Ins. Co. Is Formed at Columbus, O.

Permanent Ins. Co. has been formed at Columbus and granted a license by the Ohio department. Incorporators are Henry S. Ballard, J. R. Crabbe, and Robert W. Newlon, attorneys, but the controlling interest, it is said, is held by the Permanent agency at Akron. Mr. Ballard and Mr. Crabbe formerly were with the Ohio Farm Bureau.

The company has \$100,000 capital, with a paid in surplus of \$150,000. It will write auto physical damage only in Ohio and workmen's compensation as well as auto Ph.D. in other states.

Repeat for L.A. Paper

The paper on contractual liability presented at Los Angeles Insurance Day by the Pacific C.P.C.U. chapter will be made the basis of a seminar presentation on that subject at the national convention of C.P.C.U.s in September at Chicago. Kenneth Hough, resident vice-president of Anchor Casualty at Los Angeles, will lead the national seminar.

Lacy Black, parole officer of Sedgwick county courts, spoke at a meeting of Wichita Assn. of Insurance Agents on parole activities in connection with the courts.



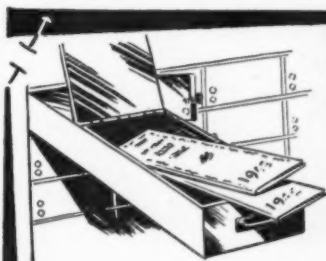
George Thompson, Minneapolis local agent and W. A. Seely, western manager of Crum & Forster, clear up a point during recess at conference of middlewestern agency leaders and western department fire insurance executives at Chicago.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
July 17, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00*	93	Bid
Aetna Fire	2.25*	52	53 1/2
Aetna Life	2.50*	73	75
American Alliance	1.50*	29	31
American Auto	2.00	46	48
Am. Equitable	1.50	26 1/2	28
American (N. J.)	1.00	20 1/2	21 1/2
American Surety	3.00	52 1/2	54 1/2
Boston	2.65*	60	62
Camden Fire	1.15*	20	21 1/2
Continental Casualty	2.50*	66	67 1/2
Fire Association	2.60	59 1/2	61
Fireman's Fund	1.60	52	53 1/2
Firemen's (N. J.)70	20 1/2	21 1/2
Glens Falls	2.30*	56	58
Globe & Republic80	14	15
Great American Fire	1.50*	34 1/2	36
Hanover Fire	1.60	32	33 1/2
Hartford Fire	3.00*	125	127
Home (N. Y.)	1.80	35 1/2	37
Ins. Co. of North Am.	1.00*	70	72
Maryland Casualty	1.00*	19 1/2	20 1/2
Mass. Bonding	1.60	26	27 1/2
National Casualty	1.50*	33 1/2	36
National Fire	2.50*	67	69
National Union	1.60	35	36 1/2
New Amsterdam Cas.	1.50	34 1/2	36
New Hampshire	2.20	39 1/2	41
North River	1.20	26	27 1/2
Ohio Casualty	1.20	57	Bid
Phoenix, Conn.	3.00*	81	83
Prov. Wash.	1.50	27	28
St. Paul F. & M.80	30	31 1/2
Security, Conn.	1.60	32	34
Springfield F. & M.	2.00	44 1/2	46
Standard Accident	1.60	36	37 1/2
Travelers	14.00*	577	587
U. S. F. & G.	2.00	47 1/2	49 1/2
U. S. Fire	1.40	38 1/2	40

*Includes extras.



Thar's Gold in Them Thar Old Policies

(When you bring them up-to-date)

You're doing yourself as well as your customers a favor when you remind them of the importance of insuring up to today's values. And to make it even easier for you to present this important fact to them, we're stressing the same theme in our national advertising. Most property owners appreciate the soundness of the idea... they merely need a little reminder from you.

THE PHOENIX CONNECTICUT GROUP OF INSURANCE COMPANIES

The Phoenix Insurance Co.
The Connecticut Fire Insurance Co.
Equitable F. & M. Insurance Co.
Minneapolis F. & M. Insurance Co.
The Central States Fire Insurance Co.
Atlantic Fire Insurance Co.
Great Eastern Fire Insurance Co.
Reliance Insurance Co. of Canada

Executive Office: Hartford 15, Conn.

TIME TRIED AND FIRE TESTED

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PRINCIPAL CITIES**

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INLAND, OCEAN MARINE, YACHT,
AND AIR CARGO LINES

Appleton & Cox Inc.

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Reinsurance

**COVERING
MULTIPLE LINES—
EITHER AUTOMATIC
OR SPECIAL
SERVICE.**

Employers Reinsurance Corporation

J. B. ROBERTSON, PRESIDENT

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Casualty Volume Mounts First Half and May Go Higher

**Big Writers Show
10-15% Gain, Mostly
Auto and W.C.**

NEW YORK — An informal check among the larger casualty writing companies domiciled here and elsewhere shows that casualty premiums are up from 10 to 15% in the first six months compared with the same period a year ago. Automobile bodily injury and property damage liability and workmen's compensation are the two lines producing the largest proportion of the increase. With some companies it is automobile that leads and with others it is the W. C. account.

Accident and health, fidelity and surety, burglary and other liability also have gained in volume this year. For some companies the increase in automobile follows pretty closely the increase in the number of automobile registrations. The compensation gain of course reflects higher wages and the greatest number of employed in the country's history. The automobile increase reflects some increase in rates, although the large rate increases made in 1951 are still to be felt. A part of the W.C. increase actually began to go on the books last year and only this year is reflected in company statistics.

A. & H. and Fidelity

Most of the A. & H. increase is assigned to the nonoccupational disability line in New York state. That business began to go on the books in mid-1950. This is the anniversary year for three year fidelity business, which would account for a comparative rise over 1950 in this line, though some additional fidelity and surety business is being written. There are increases in bond amounts.

Underwriters report that more products liability is being sold because of heightened awareness of the need for it today. There is also more other property damage being put on the books.

High liability verdicts which newspapers have advertised with increasing frequency in the last few years are responsible, underwriters believe, for both the increased limits being purchased by other liability insured and for the increase in the number of policies being sold. In this respect, the increase in tort death limits in Massachusetts, Colorado, Wisconsin and elsewhere, the elimination of a limit in Connecticut, etc., have helped the trend toward more adequate protection. In the burglary field the increase in income arises principally from greater values and larger inventories. The rise here parallels to a degree the rise in fire and extended coverage premiums.

10-25% for Year

It is hard to see how the casualty business could avoid an increase of 10% and possibly as much as 25% on the entire year's operations. The big increases in rates in automobile and other liability lines should begin to be felt by late fall, country over. The impetus of new financial responsibility laws in 14 states, with the exception of one or two where the effective date is some months from now, will hit the business before the year is out and will add to volume.

Budget Bureau Proposal on War Damage Studied

By HENRY HALLAM

WASHINGTON — After hearing Assistant Director of the Budget Elmer Staats explain a draft war disaster act, Senator Frear's subcommittee on war damage recessed subject to call. Mr. Staats read a carefully prepared statement and submitted a summary and outline of the proposed bill. He was questioned on certain details by Frear, other subcommittee members being mostly absent.

Staats recommended setting up stand-by legislation and powers, to be exercised principally on the contingent basis of enemy attack. The only part of the setup to be created immediately would be a war damage administration, which would entail relatively little cost, it was stated.

Question of Urgency

Frear said the subcommittee wants to get information about war damage legislation before the Senate soon, "for action one way or another." Staats agreed there is urgency to provide some kind of stand-by authority.

Frear said because of injection of new factors into the discussion by Staats, the subcommittee will accept statements interested parties may wish to file.

Frear suggested that, in general, the kind of damage that might be expected from an atomic attack is similar to that with which the insurance business deals. He also said the companies provide annuity and other forms of insurance benefits similar to some of the benefits proposed in the draft bill.

Frear also suggested the possibility of making it mandatory under the bill to use the facilities of the insurance companies under a war damage program.

Speaking from the standpoint of income maintenance, medical, unemployment and similar benefits, Staats said the U. S. has a nation-wide system of handling such matters in the old-age and survivors' insurance program and state compensation programs.

Need Staats Assist

Senator Schoeppel, Kansas, said the draft proposal is "highly complicated" and expressed the hope Staats would be available to help the committee later.

In view of Staats' suggestion that under war damage insurance the premium might be either too high or too low, Frear suggested the war damage administration might borrow from the Treasury, as War Damage Corp. was authorized, and charge premiums.

Staats said it would be impossible to deal with war damage on an insurance basis where an entire city might be destroyed, if the federal government did not assume some responsibility.

Can't Calculate Risk

Frear insisted there would be some parallelism between a government war damage insurance program and Federal Deposit Insurance Corp., in that both would engender confidence.

Staats said there is no way to calculate what the risk would be, and that the general taxpayer should meet the cost, as it does of civil defense.

Frear also suggested a comparison of war damage with veterans' insurance and the marine and war risk programs of the maritime administration, and that the insurance approach might be used in the first named field.

Staats replied Budget had not been able to set up an actuarial basis for charging premiums. Both agreed the Philippine war damage commission had done a wonderful job.

Regarding the draft bill's provision for income maintenance payments and federal grants to the states, Frear suggested there should be limitations upon

such grants for restoration of facilities, industries, etc.

Frear wanted to know why intangible property is eliminated from protection under the draft bill, pointing out "sometimes intangibles are more valuable than tangibles." He added the committee has received requests that intangibles also be covered.

The Budget reply was that indemnification for loss of intangibles would be impossible to administer, and reference was made in that connection to the difficulty of proof of existence and ownership of a certain piece of paper; also to the fact that such paper represents something else.

When Frear inquired if it were not intended to subrogate the U. S. on claims against workmen's compensation, Budget witnesses referred to the proposal that the states "excuse" such compensation liabilities. Whether the states would grant such excuse, they admitted, "in all candor, we haven't solved that problem."

Annual Review Suggested

Frear raised the question how long the proposed war damage administration would be provided for. Staats replied the whole problem should be reviewed by Congress; that nobody knew how long the international tension will last, and urged that provision be made for congressional review of the situation annually.

Frear suggested provision might be made for terminating the setup by concurrent congressional resolution, which does not require executive approval. Staats said administrative cost would be "very small before an attack."

When Frear asked how much income it was contemplated under the draft bill injured civilians should receive, Staats "assumed" it would be about comparable with OASI and compensation benefits. Frear expressed the opinion that such benefits should be "tied down closer" than they are in the bill.

May File Statements

Referred to the war problems committee of Life Insurance Assn. and American Life Convention, it is understood, has been the suggestion of Senator Frear that interested parties might wish to file additional statements.

Incidentally, it is understood that casualty interests will file such a statement, concerning the workmen's compensation angle especially.

"We can appreciate," Frear stated, "some new points have arisen from this morning's hearing, especially in the field of life insurance, so that a statement might be desirable on that or other matters. We would therefore like to announce that these statements will be, of course, received by the committee and will be properly studied and analyzed."

Committee sources indicated that Frear had nothing specific in mind in inviting additional statements; that it was merely a general remark or invitation.

Casualty people believe that feature of the budget program dealing with workmen's compensation is as good as could be expected. It provides the government would assume companies' liabilities, if the President declares an emergency. That would be even better, from the companies' point of view, than their own proposal that the government re-insure compensation risks in its war damage program.

Insurance representatives say they believe the subcommittee wants to do something about war damage before long, although the matter has been languishing in the legislative halls for many months.

Auto Third Party Rate Increases for 11 More States

**Vital Program Is Well
Advanced By This Week's
Approvals**

Excellent progress was registered this week in the rate increase program for the third party automobile liability lines. Increases, mainly of substantial proportions, became effective in 11 states, they being Alabama, Connecticut, Delaware, Maine, Maryland, Nevada, New Mexico, Ohio, South Carolina, South Dakota, and Vermont.

In Alabama the B.I. and P.D.L. rates for all classifications of private passenger cars are increased but there is no change in the commercial car tariff.

Exemplifying the extent of the change in the private passenger car field is a new combined rate of \$38, an increase of \$5; \$62, increase \$7; \$54, increase \$6.50.

In Connecticut the B.I. and P.D.L. rates for private passenger cars are increased and the P.D.L. rates for commercial vehicles but there are no changes in the commercial B.I. tariff.

A combined rate for private passenger cars that is now \$58 is an increase of \$9.50; \$96, increase \$15.50; \$83, increase \$12.50; \$58, increase \$9.

Delaware Situation

In Delaware private passenger B.I. and P.D.L. rates are up throughout the state and P.D.L. rates for commercial cars, but there is no change in commercial car B.I. rates. A combined private passenger premium that is now \$34 represents an increase of \$6.50; \$56, increase \$10.50; \$49, increase \$9.

In Maine there are increases in B.I. and P.D.L. for both private passenger and commercial cars throughout the state. A private passenger car rate that is now \$37 represents an increase of \$3.50; \$60, increase \$7; \$52, increase \$5.50.

A commercial car rate that is \$83 is an increase of \$16; \$42, increase \$8; \$95, increase \$19.

In Maryland the increases apply to B.I. and P.D.L. for both private passenger and commercial cars statewide. A private passenger car rate that is now \$51 is an increase of \$9, \$33, increase \$5.50; \$82, increase \$4.50; \$44, increase \$7.50; \$72, increase \$13; \$49, increase \$8.

In the commercial car field a combined rate that is now \$104 is an increase of \$5, \$37, increase \$2, \$97, increase \$5.

In Nevada the increases are in B.I. and P.D.L. for private passenger cars and P.D.L. for commercial vehicles.

A private passenger car rate that is now \$32 is an increase of \$7.50; \$52, up \$12.50; \$45, up \$10.50.

In New Mexico the increases are in P.D.L. for private passenger and commercial cars. There are no changes in the B.I. rates. A private passenger car rate that is now \$26 is an increase of \$2; \$41, up \$3 and \$36, up \$3.

In Ohio there are no exceptions to the rate increases, the tariff being jacked up on both B.I. and P.D.L. for private passenger and commercial cars. A private passenger car rate that is now \$44 is an increase of \$8.50; \$73, up \$14.50; \$63, up \$12.

A commercial car premium that is
(CONTINUED ON PAGE 21)

15 More States Get Increase in O.L.&T. Rates

Mutual Rating Bureau Also Announces Hike in 11 Jurisdictions

National Bureau of Casualty Underwriters has revised bodily injury liability rates for a large number of important owners' landlords' and tenants' classification effective July 16 in Alaska, Arizona, Idaho, Kansas, Mississippi, Montana, Nevada, New Mexico, North Carolina, Oregon, Utah, Virginia, Washington, West Virginia and Wisconsin. The revisions in these states are a continuation of the revisions previously announced in other states and the result of a review of recent experience in all states.

The classifications affected are those rated on an area and frontage basis, including stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses and mercantile and office buildings. The changes in rates are not uniform by rate territory within each state nor by classification within each rate territory, but reflect as far as possible the experience incurred for each classification and territory.

State Averages Shown

The average percentage increase in each state for all classifications affected by the revision are:

Alaska	31.0%	N. C.	24.3%
Ariz.	47.8	Oregon	21.8
Idaho	50.0	Utah	48.0
Kansas	35.8	Va.	23.4
Miss.	24.5	Wash.	10.5
Mont.	10.1	W. Va.	25.2
Nevada	47.8	Wis.	27.8
N. M.	50.0		

Mutuals Announce Increases

Mutual Insurance Rating Bureau, effective July 16, has revised O. L. & T. bodily injury rates. The revision is based upon the experience of all companies reporting to the bureau combined with the available experience of stock companies. The average statewide percentage increase for classifications affected is:

Conn.	41.5%	Mass.	29.4%
D. C.	49.2	Mich.	5.0
Fla.	25.7	Minn.	22.0
Ill.	29.0	N. J.	42.9
Ind.	17.1	Ohio	18.8
Md.	11.1		

U.S.F.&G. Creates Unit to Solve Ohio Problem

Fidelity & Guaranty Insurance Underwriters has been incorporated at Columbus, O. This is a project of U.S.F.&G. and while the management of that company has not announced the purpose of the Ohio corporation, it is not difficult to read between the lines to see what is intended here. Some months ago, U.S.F.&G. announced its intention to merge Fidelity & Guaranty, its affiliated fire company, into U.S.F.&G. Ohio is now the only state of any insurance consequence that does not have multiple line legislation. Hence if F.&G. should be extinguished as a corporate entity, then U.S.F.&G. could not transact a fire business in Ohio. Apparently Fidelity & Guaranty Insurance Underwriters is being set up as an Ohio company to write fire business and will thus pave the way for the U.S.F.&G. merger to go through.

Two Wrecks Cost L.I.R.R. \$4 Million. Not Done Yet

NEW YORK—A report by Douglas A. Draper, Jr., trustee of the Long Island Railroad, reveals the road already has incurred liability of more than \$4 million in addition to \$2 million of insurance as a result of the Rockville Centre and Richmond Hill wrecks in 1950. The Long Island carried liability insurance of \$1 million in London Lloyds for each accident over \$400,000. The insurers paid their \$2 million.

The railroad has paid \$2,883,983 for hospital and doctors bills and for settlements or court judgments for death or injury. Unpaid settlements or judgments, according to the report, including judgments on appeal, total \$1,259,000. Several million dollars of additional liability may be anticipated, according to Mr. Draper. He made a plea for fair and reasonable settlements in the remaining cases.

Urges Early Reservations

Luke J. Kavanaugh, Colorado commissioner, urges those that are interested in attending the conference at Denver Sept. 17-18 of commissioners and insurance company representatives on uniform deposit laws and security or insolvency funds to make their reservations as soon as possible. The reservations, he said, should be made directly with the Brown Palace hotel at Denver. Mr. Kavanaugh is chairman of this committee and he expresses the hope that a uniform deposit bill may be drafted for submission to the laws and legislation committee of N.A.I.C. in December.

Mielke Heads Speakers

Wisconsin Speakers Forum, organized by field men and other representatives to provide speakers to talk on insurance before insurance and other groups, has elected Robert G. Mielke, National Fire, president; Al Nick, Standard of New Jersey, vice-president, and H. E. Schwenke, National Union, secretary.

New Edition of Safe Booklet

A new revised edition of "The Meaning of The Labels" has been published by Mosler Safe Co. The booklet is designed to help underwriters and agents classify safes, money chests, and vault doors for applicable rates and premium discount advantages. This new booklet, known as the 3rd edition, includes manual rates revised as of Oct. 30, 1950.

Insurance Women of Wichita at a covered dish supper heard reports of the Houston NAIW convention.

New Employment Doesn't End Disability Payments

ST. LOUIS—District Judge Moore has ruled that Ralph B. Wagner, who had to quit as public speaking instructor at St. Louis University in 1946 because of a permanent throat disability, is entitled to \$200 a month disability payments under a policy with Continental Casualty, issued in 1922.

Continental brought suit to recover \$7,020 already paid Wagner on the ground that he had received pay from other employment in that period.

Judge Moore held, however, that the policy covered Wagner's employment as a public speaking teacher and that he became entitled to the benefits when illness prevented him from continuing in that profession.

Tells Auto Rate Story

The Wall Street Journal Monday carried in its featured position in the right-hand column on page 1 a story on auto insurance rates. The caption reads "Auto Insurance Rates Head Higher, pushed by inflation and rising accident toll. One hundred and seven leading concerns hike fees in 12 states today; more increases coming. New car designs a factor."

Besides alluding to the rate increase program and third party liability insurance, Harry Rohs who writes the story, states that N.A.U.A. is expected shortly to file for rate increases on collision.

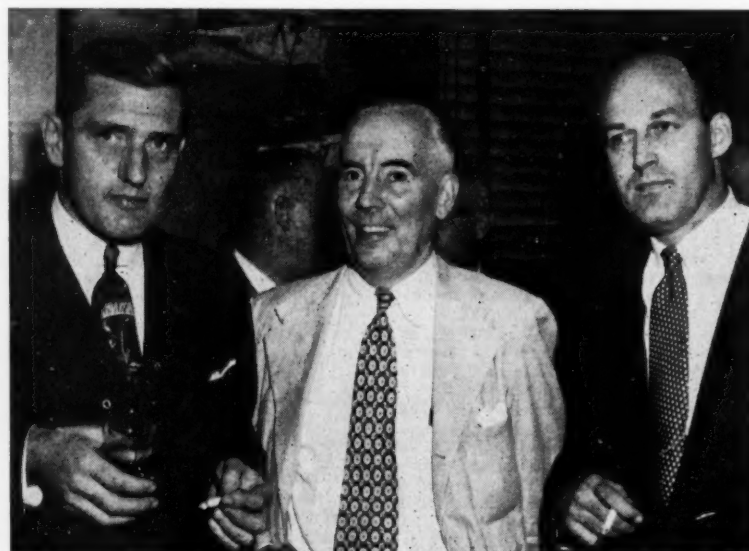
N.J. Claim Deadline

Superintendent Bohlinger of New York announces that all New Jersey policyholders, creditors and stockholders of Preferred Accident must file their claims on or before Oct. 31. No claims after that date will be recognized.

N.Y. Assessment Fixed

The first annual assessment to maintain the special fund in New York for disability benefits will be at the rate of about 5 cents per \$100 of covered payrolls, Mary Donlon, chairman of the workmen's compensation board, has notified insurers, self-insurers and the state insurance fund. The rate is a little more than \$1 for each \$2,000 of payroll.

The Sparlin cup, traveling trophy of National Assn. of Insurance Agents which was awarded the Wisconsin association for outstanding service to the insuring public, is being displayed at a downtown location by the Wausau board.



At Chicago agency-company conference: M. F. McCaffrey, Detroit local agent; David H. Moore, vice-president of Home, and H. J. Gescheidler, Jr., Hammond Ind.

Ask Revised Rates in Okla. to Meet New Law's Cost

A two day hearing was conducted by the Oklahoma insurance board on application of National Council on Compensation Insurance for revised rates as a result of passage by the legislature of a bill that establishes death benefits under the workmen's compensation law. The law became effective May 29.

Death cases did not come under the compensation law of Oklahoma in the past because it was considered in violation of the state constitution. Consequently survivors had a right of action against the employer under common law. However, the constitution was amended to effect the change, and the legislature set up a death benefit of \$13,500.

Could Buy Coverage

The compensation rates in the past did not allow for death, except that there was a provision in the coverage for up to \$5,000 of protection for the employer under common law in death cases. Many employers purchased higher limits than \$5,000, which were available on payment of an additional premium.

Under the filing proposed by the National Council, some employers will pay less in W.C. premiums than they did formerly where they purchased high limits for common law protection.

The law provides a death benefit of \$13,500 to "heirs at law," and it is said that Oklahoma is the only state that makes so broad a designation as to beneficiary. It is also believed that if a workman is injured and survives for a time, then dies, that the full \$13,500 is payable whatever has been paid previously as a result of the accident. In many states, the amount paid prior to death is deductible from the death payment. Also, if there are no dependents, in many jurisdictions it is provided that a small amount is paid to the state.

More Death Claims

The National Council filing reflects that rating bureau's belief that there are bound to be more death claims under the new law than under common law since in the latter case the beneficiary had to prove negligence on the part of the employer and the employer's common law defenses now are removed.

It was argued at the hearing that the council should wait on a revision until the next regular revision period; in the meantime experience would accumulate to be used for guidance. The council argued against this, pointing out that beginning with May 29 insurers will have had to start paying \$13,500 death claims. The filing was taken under advisement.

A. Z. Skelding appeared for the council.

Elect Joslin President

South Kitsap (Wash.) Insurance Agents Assn. has elected R. P. Joslin, president; Lon Elliott and Clarence Jones, vice-presidents, and E. C. Sundt, secretary.

Orders Agent to Cease Business

Georgia Commissioner Zack D. Cravey has advised J. E. DeLoach, president of Dixie Motor Corp., of Atlanta to cease all operations as an insurance agent until he gives an opinion on DeLoach's admitted violations of state insurance law.

It developed at a department hearing that the applications were handled by Southern Underwriters of Buckhead. DeLoach's only defense was a plea in ignorance of the law. Southern Underwriters plea was that it was an inadvertence in not obtaining a license for DeLoach before accepting business from him.

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Martin Security



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Breidenbaugh, James to A. & H. Unit of Prudential

O. J. Breidenbaugh and A. J. James have joined the newly organized sickness and accident department of Prudential.

Mr. Breidenbaugh, who has been with the D. Stuart Walker agency at Philadelphia for Mutual Benefit H. & A., will specialize in developing training courses for A. & H. Before going with the Walker agency, Mr. Breidenbaugh was executive secretary of National Assn. of A. & H. Underwriters and before that was an instructor in A. & H. courses at Purdue and other leading universities.

Mr. James has been with Pacific Mutual Life as assistant chief underwriter. He has been with Pacific Mutual since 1924. With Prudential he will assist in the development of A. & H. underwriting and claim activities.



O. J. Breidenbaugh

Dearborn Heads Judges for Driver Training Awards

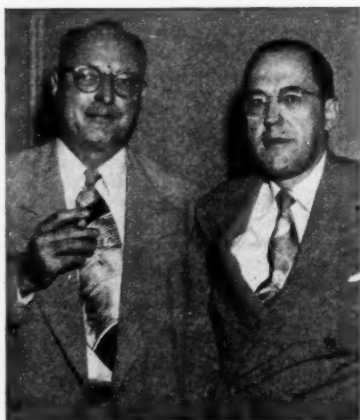
Ned H. Dearborn, president of National Safety Council, will serve as chairman of the board of judges of the 1951 national high school driver education award program of Assn. of Casualty & Surety Companies, honoring various state for progress in training of youthful drivers as an effective method of reducing automobile accidents.

The judges will meet Aug. 10 at New York to decide the recipients of the 1951 awards. The plaques, which have been offered by the association since 1948, will be presented during the fall and winter to the governors of the states winning them.

Reports by special representatives appointed by each of the state governors indicate that the school year just ended has shown more progress in the driver education movement than any year since the award program was started. Last year plaques were presented to 20 states, with 11 receiving the superior award for having a course in driver education in 50% or more of their secondary schools, with at least half of the eligible students enrolled, and nine receiving meritorious awards with at least 25% participation by schools and eligible students.

Embezzles \$20,000 in Ill.

Martin J. O'Shea former cashier of the Security National Bank of Cairo, Ill.,



Harry Parrish, Tulsa local agent and Harvey Snediker, assistant manager of Western Actuarial Bureau, at Chicago conference of agency association spokesmen and fire insurance company executives.

has been charged with making a false report to the U. S. comptroller of the currency. He allegedly is short in his accounts some \$20,000. It is said O'Shea admitted juggling accounts in 1947 in order to reduce a bad loan for \$60,000 which he had authorized. He had been with the bank since 1933.

Plans Mich. Department School

Commissioner Navarre of Michigan has started plans for an insurance institute at Michigan State College Oct. 4-5 for department personnel.

The commissioner said he believed an improved esprit de corps and more efficient dovetailing of the activities of

various divisions of the department could be achieved through the institute. All phases of insurance will be included. Instructors are being sought among company executives and field men having specialized experience. Michigan Assn. of Insurance Agents will assist in conducting the institute.

License Exam Board Named

Members of the new licensing examination advisory board to consult with Commissioner Sullivan have been appointed.

They are LeRpy Hunter, Washington Assn. of Insurance Agents; Stuart G. Thompson, Northwest General Agents

Assn; H. R. Breshears, Washington Fire Underwriters Assn.; Milo Wilcox, Northwestern Mutual Fire; Richard Turner, Farmers group; Val Weber, United Pacific; Lee Masterson, General, Seattle.

Name Glancy in Ohio

John T. Glancy has been appointed special agent of the Merrimack Mutual and Cambridge Mutual in Ohio. A graduate of Williams College in 1949 before which he served with the army, Mr. Glancy had engineering training with Mutual Fire Inspection Bureau of New England followed by home office training in all departments.

THE CHAMPION!

The 1950 fidelity and surety production figures in the State of Iowa shows Western Surety Company to be far in the lead. We wish to thank our agents for helping us obtain this remarkable position. To you who do not represent us, we know that you will be interested in this strong recommendation.

IOWA, 1950	
I. WESTERN SURETY COMPANY	
II. _____	\$240,855
III. _____	169,584
IV. _____	162,531
V. _____	161,454
VI. _____	157,692
VII. _____	130,401
VIII. _____	120,201
IX. _____	117,444
X. _____	93,344
XI. _____	93,110
XII. _____	91,434
XIII. _____	86,538
XIV. _____	84,931
XV. _____	84,638
XVI. _____	81,481
XVII. _____	79,264
XVIII. _____	77,982
XIX. _____	60,035
	54,926

WESTERN SURETY COMPANY

One of America's Oldest Bonding Companies

175 West Jackson Blvd.
Chicago, Illinois

1700 Commerce St.
Dallas 1, Texas

Sioux Falls
South Dakota

21 West 10th Street
Kansas City 6, Mo.

CHANGES IN CASUALTY FIELD

Lowther Retires; Wesley Becomes General Counsel

W. E. Lowther has retired at his own request as general counsel of the Phoenix-London group, but he will continue as a director of Phoenix Indemnity, Columbia and Imperial. From 1912 to 1924 he was attorney and directed the adjustment division of the credit insurance department of London Guarantee. The latter year he was named general attorney for London Guarantee and in 1935 became general counsel for the entire group. He has served on the law committees of National Bureau of Casualty Underwriters, and National Board and for two years was chairman of the law committee of Assn. of Casualty & Surety Companies.

George B. Wesley has been promoted to the position of general counsel. He has previously been general superintendent of claims and he will continue

to exercise over-all supervision of losses in addition to his new duties.

George W. Hoeffer becomes regional supervisor of claims and will have charge of casualty and automobile physical damage losses other than those under the jurisdiction of branches at Boston, Chicago, New York, Philadelphia and San Francisco.

Tom Baker Resigns as Utilities Executive V-P.

Tom Baker has resigned as executive vice-president of Utilities of St. Louis and he will engage in personal production in that city. He had been with that company 30 years.

Van Newkirk Top Man

Fred Van Newkirk has been appointed manager of the New England regional office of the Ohio Farm Bureau insurers. This division has been conducted as a pilot unit at the head office for the past year and it will be moved out to location this fall. However, just where that location will be in New England has not yet been determined. Mr. Van New-

kirk has been manager for Pennsylvania claims at Harrisburg. Robert Culp is named underwriting manager for that division. He has been manager of commercial auto underwriting at the head office. W. E. Stevenson is supervisor of claims. He has been located at Hamden, Conn., as claims supervisor for Connecticut and Rhode Island.

R. L. Goodale in Albuquerque Post

Robert L. Goodale is now located at Albuquerque, N. M., as executive vice-president in charge of all operations of Mountain States Mutual Casualty. This is the company whose president is Clinton P. Anderson, U. S. Senator from New Mexico and formerly Secretary of Agriculture.



R. L. Goodale

Mr. Goodale was in charge of the Chicago midwestern department of Preferred Accident until that company's demise. He had been with Preferred Accident since 1929 and was Boston manager until he went to Chicago. He served two years as an officer in the marine corps during the last war.

Mr. Goodale's father is Percy A. Goodale who was for many years Boston manager for Preferred Accident and then went to the home office. A brother, Benjamin Goodale is an agent at Rochester, N. Y. and another brother, Percy A. Goodale, Jr., is an agent at Boston.

O'Connor to Md. Casualty

John J. O'Connor, formerly special agent of the Phil Grossmayer general agency at Portland, Ore., has joined Maryland Casualty as Oregon special agent. He succeeds William J. Fahy who resigned because of ill health.

SURETY

\$13 Million Project in S. D. Involves Big Bond

A combination of M. J. Boyle & Co., of Chicago and Donovan Construction Co., and Lovering Construction Co., the latter two of St. Paul, with a figure of \$12,955,000, is low bidder on Fort Randall powerhouse and auxiliary construction, Lake Andes, S. D., this being a federal project. Fidelity & Casualty through the general agency of W. A. Alexander & Co., Chicago, signed the bid bond.

On Arizona Bonds

LOS ANGELES—Vinson Construction Co., Phoenix, Ariz., and Harold Ashton, Tucson, Ariz., have been awarded a contract by U. S. engineers at a price of \$1,097,891 for construction of a bulk storage and fueling system at Mather Air Force Base, Tucson, Fireman's Fund Indemnity for Vinson and Employers Liability for Ashton are executing the bonds.

Marshall, Haas & Royce, Belmont, Cal., have been awarded the contract for construction of earthwork, canal lining, and structures at the Gila project in Arizona by U. S. bureau of reclamation at a price of \$1,719,348. Seaboard Surety is on the bonds.

Claim Men Gather

Claim Managers Council of Independent Casualty Insurers recently held a two-day meeting at Wagon Wheel Lodge, Rockton, Ill., with 21 companies represented. C. E. Moul, Ohio Farmers Indemnity, was program chairman.

Robert Denton of Wolverine, president of the association, gave a talk on micro-filing operations and company claim manuals, and John Joyce, Capitol Indemnity, talked on claim department systems. Paul Risher, Hawkeye-Security, covered the subject of administrative procedure relating to the home office and branch office.

Attorney David M. Burrell of Freeport Motor Casualty, gave a talk on "Evaluating a Claim." The next meeting will be held at Chicago in November.

Pa. Rate Revision Brings 4.4% Reduction

A revision in workmen's compensation rates which Commissioner Leslie estimates will produce premium savings of about \$1½ million has been approved as proposed by Pennsylvania Compensation Rating & Inspection Bureau. This revision does not apply to coal mine business. On the average, the rates are 4.4% lower. The average reduction in manufacturing and utilities is 2½%, contracting and quarrying 6.8%, and other industries 5.2%. Mr. Leslie pointed out that if the legislature increases the benefit level before it adjourns a further revision may be necessary in the rates. This seems certain to be done.

Increase Ill. W.C. Benefits

Gov. Stevenson of Illinois has signed two bills increasing benefits under the workmen's compensation and occupational diseases act. The measures provide for 13.3% increases in cash awards and longer periods of compensation for workers injured in industrial accidents, as well as boosts in accident death benefits from \$8,500 to \$9,600, and in maximum weekly benefits from \$30 to \$34.

Florence New President

Leonard Florence of Commercial Standard has been elected president of Houston Casualty-Surety Round Table Club. R. B. Hagens of Langham, Langston & Burnett, Aetna Casualty general agents, is vice-president; Curtis Homeyer, American Surety, secretary, and C. F. Dieter of Cravens-Dargan & Co., treasurer.

Rewards Citation Rescuers

LEXINGTON, KY. — Two groomers of Calumet Farms stables have each been given \$250 by London Lloyds for saving Citation, the first winner of more than \$1 million on the race tracks, from injury or death in a van fire. It is reported that Lloyds coverage on the horse runs to at least six figures. The van, with Citation and Ponder, the 1940 Kentucky Derby winner, was en route to Hollywood Park, Cal., when locked brakes overheated and set fire to the vehicle.

NON CANCELLABLE A. & H. COVERAGES

CHECK THESE SPECIFICATIONS

- ✓ 1. Accidental Bodily Injury Insuring Clause.
- ✓ 2. "His Occupation" Definition of Total Disability.
- ✓ 3. Non-aggregate coverage for as long as 120 months or to age 65—House confinement never required.
- ✓ 4. Lifetime Accident if desired.
- ✓ 5. Waiver of Premium after 90 days.
- ✓ 6. Liberal Hospital and Surgical Benefits on an optional basis.
- ✓ 7. Policies Guaranteed by one of America's oldest and largest Accident & Health writing companies.

plus an outstanding pre-approach plan

• Brokerage Business Invited •

PROVIDENT LIFE AND ACCIDENT
Insurance Company



Will Wrightem
SAYS...

**Little Business
is Big Business—**

**Interest and care in the handling
of the small account will build
sound income and good opinion.**

Will Wrightem
FIELD CORRESPONDENT

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INSURANCE CO., LTD.
FIRE & MARINE INSURANCE
COMPANY OF NEW YORK

THE YORKSHIRE
INDEMNITY CO. OF NEW YORK

90 JOHN STREET
NEW YORK 38, NEW YORK

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REPRESE

11 More States Approve Auto Rate Increases

(CONTINUED FROM PAGE 17)

now \$122 is higher by \$16; \$49, up \$7; \$145, up \$20; \$60, up \$9.

In South Carolina the only rate increase is in P.D.L. for private passenger cars.

A combined private car rate that is now \$31 is higher by \$1.50, \$51, up \$1.50; \$45, up \$2; \$40, up \$1.

In South Dakota rate increases apply to everything except B.I. for commercial vehicles. A private passenger car combined rate that is now \$22 is higher by \$3, \$36, up \$6.50, \$31, up \$5. A commercial car rate that is now \$35 is up \$2; \$40, up \$2; \$36, up \$2.

In Vermont the rate increase is across the board—B.I. and P.D.L. for both private passenger and commercial cars. A private passenger car combined rate that is \$37 is higher by \$8.50, \$55, up \$1.50, \$49, up \$9.50, \$52, up \$1.50.

A commercial car premium that is \$46 is higher by \$6, \$54, up \$7.

National Board Sets Up Detroit Loss Office

(CONTINUED FROM PAGE 1)

through our temporary office. We also hope that locally we may be advised of all losses as they are assigned to adjusters so that we may maintain a complete record about outstanding and closed losses.

"It is hoped that this temporary office may be established as of July 23. In the meantime, if those of you who are in a position to offer the services of one or more loss men to assist us in operating this office, similar to the manner in which our catastrophe offices have been staffed, will advise us of the name of the individual selected by you and a very brief statement as to his experience, it will be appreciated.

Space Is Provided

Space has been provided for this temporary office in the quarters of Detroit Assn. of Insurance Agents at 410 Murphy building, D. B. Sherwood, general adjuster of National Board, assisted by G. L. Ingebritson, will be in charge. The activities, at least in the beginning, will be confined to losses incurred on and after July 23 involving property located within Wayne county.

This will not alter in any way the assignment of losses but as losses are assigned to adjusters or as agents are authorized to adjust losses, National Board requests that the companies prepare a loss index card and forward this to the temporary office. That card will

be maintained in an outstanding loss file and as the proofs are received, the card will be transferred to the closed loss file after having added thereon the amount of loss and any other pertinent information so that a complete statistical exhibit may ultimately be prepared.

Hill to Balfour, Guthrie

Terry A. Hill has been appointed manager of the fire department of Balfour, Guthrie & Co., San Francisco. He succeeds the late Ralph P. Thornton.

Mr. Hill started with London Assurance in 1927 and joined Fireman's in 1935 as a field man. Subsequently he joined North America and became chief underwriter in the fire department. He was transferred to Seattle as special agent in 1940, in 1945 was promoted to agency superintendent, in 1947 to assistant manager, and in 1948 to fire manager. He was named manager at Portland last year.

A.E.C. Problem in Mich.

The Michigan department is making a strict differentiation between fire companies that are correctly chartered for multiple line underwriting and those that are not, in passing on the questionable

of whether an insurer may issue the new additional extended coverage in the state. Those companies that have not yet complied with all the formalities in the way of charter amendment and clearance in their home states to write casualty coverage are not being permitted to write the A.E.C. in Michigan because this new coverage cuts into the casualty lines by reason of its boiler explosion and glass breakage features.

This is creating considerable confusion on the part of companies and agents.

Ind. Preventionists Elect

Philip L. Johnson, Monarch Fire, has been elected president of Indiana Fire Prevention Assn. Other new officers are: Vice-president, Robert G. Hubbell, Northern of London; secretary-treasurer, B. H. Peterson, Automobile.

OKs Chubb Plan in N.C.

RALEIGH — Commissioner Cheek has approved the Chubb and Son deductible fire plan for use in North Carolina.

The plan, providing for deductibles ranging from \$5,000 to \$250,000, is available only on policies with premiums

of \$500 or more. It is conditioned upon the policyholder remaining a self-insurer for the amount deducted.

The plan was proposed for consideration as a rate deviation and as an appeal from the North Carolina Fire Insurance Rating Bureau. Commissioner Cheek declined to view it as a deviation, but said there are no provisions in the state statutes which would prohibit its use.

LM.U.A., Satellites Move

Inland Marine Underwriters Assn., Inland Marine Insurance Bureau, and the joint committee on Interpretation and complaint have moved their headquarters from 99 John street, New York, to the new building at 161 William street there.

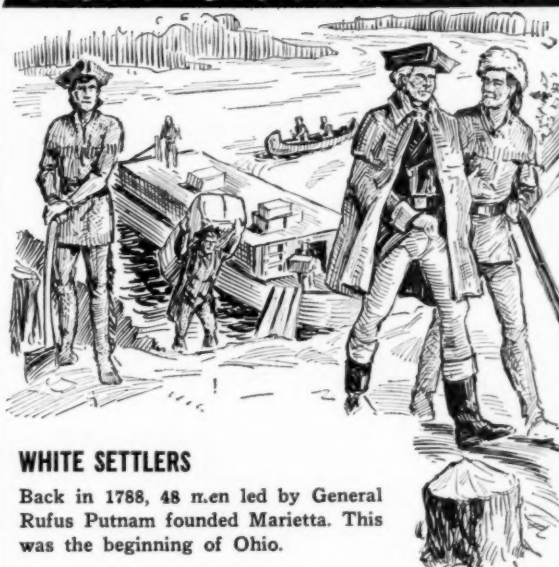
Wernet in Local Agency

L. Campbell Wernet, special agent of Home at Detroit, has resigned as of Aug. 1. He has purchased a full partnership in the Carleton C. Patterson agency at Detroit and the Thatcher, Patterson & Beresford agency at Pontiac, which will be operated as Thatcher, Patterson & Wernet.

American has elected Donald B. Kipp a director. Mr. Kipp is a member of the firm of Pitney, Mardin & Ward.

HIGH SPOTS IN HISTORY

15: OHIO



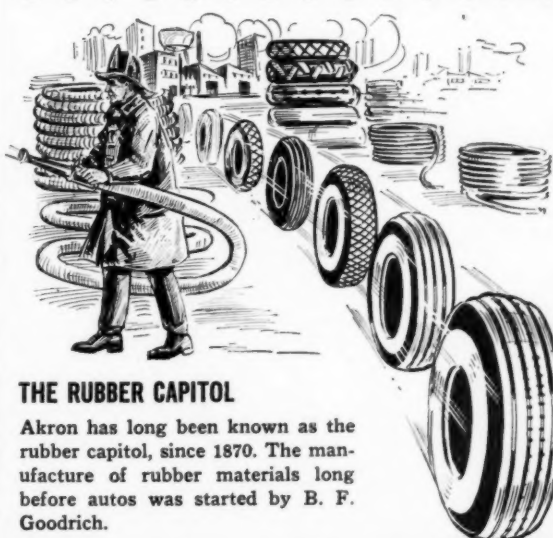
WHITE SETTLERS

Back in 1788, 48 men led by General Rufus Putnam founded Marietta. This was the beginning of Ohio.



VICTORY AT LAKE ERIE

Perry's victory over the British fleet in 1813 gave the United States control of Lake Erie.



THE RUBBER CAPITOL

Akron has long been known as the rubber capitol, since 1870. The manufacture of rubber materials long before autos was started by B. F. Goodrich.

ALWAYS A HIGH SPOT . . .

. . . to every agent is when he joins Hawkeye-Security & Industrial.

These agents know every service is provided to help them step up production . . . providing service without red tape . . . prompt, equitable settlement of claims . . . and home office representatives always at their service.



HAWKEYE - SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa

BANCINSURANCE

Is it's name — — —

A MOST SPECTACULAR SUCCESS IT IS THE PERFECT BANK-AGENT PLAN

For the Insurance Agency insuring Automobiles financed by Banks and Finance Companies . . .

With **GUARANTEED COMMISSION PLUS LIBERAL PROFIT SHARING, OFFERS TOTAL HIGHER COMMISSIONS THAN MOST COMPANIES PAY.**

AMERICAN BANKERS INSURANCE COMPANY

LONDON BUILDING MIAMI 22, FLORIDA

SPECIAL AGENTS WANTED

To handle "RETROPLAN" and "BANCINSURANCE" contracts—outstanding time-tested plans for Bank, Finance and Loan Company Auto Physical Damage Insurance. . . . Representatives now earn upwards of \$10,000 per year on commission basis. If you can qualify by financing yourself or as "ADDITIONAL REPRESENTATION" write us today.

Compare Household's Limited Theft Form and Residence and Outside Cover

Hilbert E. Foos, superintendent of the burglary department of U.S.F.&G., has prepared an analysis of the new personal theft insurance coverage that became available July 2, including a comparison in thumbnail fashion of this new householders' limited theft policy and the residence or outside theft contract. He emphasizes that the new form is intended to supplement but not to replace the residence and outside coverage and it is designated as "limited" so as to avoid confusion.

The new plan is put up on a package basis in the expectation that it will appeal to those who have either been unable or unwilling to purchase the broader coverage of residence and outside theft policy.

Mr. Foos remarks that the estimates as to the number of persons uninsured for theft vary sharply. Some estimates place uninsured risks as high as 90% and others as low as 75%. However, Mr. Foos observes that even if an ultra-conservative estimate of 50% is used, the potential market is tremendous.

Although increases in sub-limits and in the off premises coverage may be obtained by issuing additional policies at the first \$1,000 rate for each additional policy, Mr. Foos suggests that

it is better to accomplish this result by using the residence and outside theft

outside theft policy the limited contract provides no coverage in dormitories, fraternity or sorority houses. Theft is defined as any act of stealing. To make clear that in the new form there is no presumption of theft from mysterious disappearance, there are lower sub-

PROPERTY	RESIDENCE AND OUTSIDE THEFT	HOUSEHOLDERS' LIMITED THEFT
Of the insured	Full amount of insurance	Full amount of insurance
Of others within premises	Full amount of insurance	Full amount of insurance
Under Coverage A—Within a safe deposit vault	Full amount of insurance	No coverage
Under Coverage A—Within a public warehouse	Full amount of insurance	No coverage
Under Coverage A—Within an occupied residence (except one owned, leased or occupied by insured)	Full amount of insurance	No coverage
Within a private garage, stable or outbuilding	Full amount of insurance	Full amount of insurance
Within basements, laundries and rooms in apartment buildings for common use of insured and other tenants	Full amount of insurance	Full amount of insurance
Where it has been removed to new residence	Full amount of insurance applies for a period of thirty days in both old and new location and during removal	Coverage applies at new location only after policy endorsed
In a dormitory, fraternity or sorority house	Covered if insurance provided under Coverage B	No coverage
Damage by burglars or robbers (except by fire)	Full amount of insurance	Full amount of insurance
Damage by vandalism or malicious mischief to interior of premises and property therein (except by fire)	Full amount of insurance	Full amount of insurance
Money	\$100—may be increased	\$50—may not be increased
Securities	\$500—may be increased	\$250—may not be increased
Boats and their equipment	\$500—under Coverage B	No coverage
Unattended property in automobile	Covered in locked or unlocked automobile but only if premium charge has been made therefor	Covered but only if automobile is locked and there is a forcible entry of which there must be visible marks upon waterflood

policy.

In comparison with the residence and

limits on money and securities. Insurance of specified articles is not permitted, coverage in automobile is burglary only, instead of theft. Coverage A does not apply in bank, trust or safe deposit company, public warehouse or occupied dwelling not owned or occupied by or rented to the insured. Coverage A does not cover removal to the other premises.

The chart reproduced herewith comparing the two policies was prepared by Mr. Foos.

F. Porter Gore Named

Because of the death of Francis C. Carr, president of the New York brokerage firm bearing his name, F. Porter Gore, formerly vice-president and director, becomes chairman; George Dwight, formerly director, becomes president; David T. Brophy, who handles many accounts and Hugh B. Kelly, manager of the automobile department, become vice-presidents.



C. M. Hunt of Nashville and Kenneth Ross of Arkansas City, Kan., in huddle during conference of agency leaders and western fire insurance executives at Chicago.

Hershey Faces Contest

Alleging errors in counting, a petition has been filed to contest the election of Harry B. Hershey as justice of the Illinois state supreme court from the second judicial district. Mr. Hershey was formerly attorney for the liquidator in the Illinois insurance department, then was insurance director of Illinois, and subsequently was engaged in insurance law practice at Springfield and Taylorville. He was elected to the supreme court bench by a margin of 184 votes on June 4. The petition was brought in behalf of three Republican committeemen.

Keeping Up with the Zones

Those who must take in all of the zone meetings of National Assn. of Insurance Commissioners have a busy season ahead starting at Olympic hotel at Seattle with zone 6 on Sept. 10-11. Then comes zone 2 at Charleston, W. Va., Daniel Boone hotel, Sept. 27-28. Then they will have a solid week of it moving from the Patten hotel at Chattanooga for zone 3 Oct. 16-17, to Skirvin hotel, Oklahoma City for zone 5 Oct. 18-19, and St. Paul hotel, St. Paul, for zone 4 Oct. 22-23.



In sickness and in health

Because of the disruptive influence of disability upon the married employee, dependent coverage is playing an increasingly important role in Group Welfare planning.

ZURICH GROUP PROGRAMS are carefully designed to fit the needs of the family as well as the employee. This assurance of complete protection results in better employee morale.

Your ZURICH GROUP REPRESENTATIVE is a specialist in Group problems. Let him help you expand your business in this lucrative field. Consult him today.



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AMERICAN GUARANTEE AND LIABILITY INSURANCE COMPANY

*Bituminous
serves
the Agent*

**Specializing in
workmen's compensation
and all lines of liability coverage**

**BITUMINOUS CASUALTY
CORPORATION**

ROCK ISLAND ILLINOIS



Size

Berkshire Co., estimating Grease & as a com lubricants \$200,000.

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Sizeable Insurance Loss in Kansas Floods

(CONTINUED FROM PAGE 1)

Berkshire Lumber Co., Schutte Lumber Co., estimated 75% loss and Battenfeld Grease & Oil Corp. Battenfeld is known as a compounder and makes up special lubricants. Its loss will run at least \$200,000.

Most of the oil concerns involved are bulk plants. Phillips Petroleum has the biggest oil values and its properties were badly flooded but it is believed that the Phillips people handled their problem in the most expeditious way possible.

Oil Insurance Assn. has had no reports of loss and believes that it has none.

In this industrial area there are a number of motor vehicles, mainly commercial, involved.

Procter & Gamble, which is putting up a new plant at Kansas City, has an installation floater and this promises to be a hefty marine loss.

In connection with the fires it is anticipated that there will be some nice lines that will have to be drawn between fire and flood damage. Whether it will be any more difficult to distinguish between fire and flood damage when the two are concurrent or whether subsequent fire losses after the flood has subsided and stocks of merchandise that were affected by the flood are burned will constitute the more difficult adjusting problem remains to be seen.

Other Cities Affected

The area affected in both Kansas City, Kan., and Kansas City, Mo., is entirely industrial, the only residential being the familiar squatters in the bottoms.

The main cities affected by the flood of the Kansas river and its tributaries include Lawrence, Topeka, Manhattan, Junction City, Abilene and Salina. In all of these cities, with the possible exception of Lawrence, both the business districts and the residential parts of town were flooded. In Lawrence, apparently, the business district escaped but the industrial and residential is hurt.

It is expected that the personal property floater losses will be the heaviest at Wichita. Here the Little Arkansas river swamped the Riverside district which embraces an area of first class homes. As a matter of fact, the Wichita flood damage, it is said, is confined almost entirely to the residential district.

Cottonwood-Neosho Rampage

The Cottonwood-Neosho rivers in their overflow caused devastation at Marion and Florence, among other places, and did considerable damage at Emporia.

A loss was reported Tuesday at Kansas City under a dealer's open comprehensive policy covering mainly tractors and other farm equipment. The loss is roughly estimated at about \$100,000.

One of the most important questions that has to be answered before any kind of a reliable estimate of the total loss can be made is the number of automobiles that are damaged and that have claims under comprehensive coverage. From Topeka early this week came an estimate that there may be as many as 1,000 cars more or less submerged there. Western Adjustment thinks it may have as many as 600 auto losses from Topeka. One guess is that these might average \$400.

Railroad Cargo Losses

One of the big questions from an insurance standpoint is how extensive is the loss to merchandise on railroad cars that were caught in the flood and also whether on the insurance protecting the railroad there is any liability on the part of the insurer. There is, of course, a very strong presumption that this is an act of God occurrence that is excluded from coverage. It is said that some 700 cars of merchandise are hung up and many of them flooded to greater or less degree between Kansas City, Kan., and Kansas City, Mo. The Rock Island Railroad, which has its big Armourdale yard at Kansas City, Kan., seems to have the greatest involvement

in this respect and the Rock Island has insurance. There is said to be a water damage loss to the Frisco roundhouse at Kansas City, Mo., this being insured.

Santa Fe Railroad apparently doesn't stand to recover much if anything under its insurance as that road insures only its greatest concentrations of value. Santa Fe ran 10 locomotives onto a bridge at Topeka in an attempt to hold the bridge down, but the bridge and locomotives were subsequently lost.

Waybills Washed Away

Water in freight houses has washed away many waybills so that it is impossible to determine for some time just what the loads consist of in the cars that are flooded. These cars can't be reached anyway for several days so all interested parties are just standing by for the time being.

There will be a lot of losses under shippers cargo policies and here the insurance pays regardless of the act of God question so long as flood is one of the perils that is covered. One Kansas City agency has the coverage on 30 or 40 cars of grain that are flooded. The insured is the elevator operator.

The companies were receiving from agents requests for authority to bind expiring policies for assured that flood conditions put beyond contact.

The companies were freely issuing interim binders for the protection of property that was removed from flood areas.

Universal Securities Co., local agency with a ground floor location at 118 South Third street, Manhattan, Kan., got word to its companies that it had eight feet of flood water in the office to contend with. O. M. Rhine is president.

Among other agencies that were seriously damaged by the flood are Howard Marshall at Abilene and the Bardwell agency at Manhattan. The former agency is located in the basement of a bank building and the water was six feet high in Main street at Abilene. The Bardwell agency notified its companies that all its records were lost and asked for duplicates of dailies.

The area in Kansas City that was involved in the fires is largely a section of mercantile buildings on Southwest boulevard. These are mainly old marginal properties.

Boiler & Machinery Problem

Although there will be no liability for direct flood damage under boiler and machinery policies, the boiler and machinery underwriters are on the qui vive. The hazard is that electrical equipment will be placed back in operation before it is properly serviced and then it will be burned out or become involved in some other type of an accident for which the insurer then would be liable. Some of the boiler and machinery insurers sent men into Kansas City to counsel with insured about servicing the equipment before putting it back into operation. Some years ago when Pittsburgh was flooded the boiler and machinery insurers got together and sent a crew into the city to give expert advice throughout the affected region regardless of whether a plant was insured or not. However, there is, of course, not nearly as much industrial activity at Kansas City and some of the insurers are content to let their local representatives handle the problem.

Reinsurance will undoubtedly come into play substantially in connection with auto losses. Most direct writers have a cover that protects against multiple auto losses in a single occurrence and this will be the time for the reinsurers to step up with a smile and pay off.

The marine insurers have their fingers crossed on what might turn up in truck terminals and on railway cars. For example, Santa Fe does a large amount of hauling of frozen foods from California and all of their lines funnel through Kansas City. Whatever cars containing frozen foods that were stranded in that town will undoubtedly produce a sizable loss. At the truck ter-

minals there is no way yet of determining what may be involved.

Estimates on automobile losses in Kansas and in Kansas City, Mo., indicate that probably there are 2,500 automobiles in the territory that are damaged by flood of which possibly a little more than 50% are insured. In Topeka the manager of Western Adjustment flew over the town and estimates that there are 1,000 automobiles under water. At Salina there are 300 cars damaged. There probably will be only a small number of losses in Kansas City since the waters flooded the industrial area and automobile owners had a chance to get their cars to safety.

Topeka was about one-third under water and a good part of this is residential.

The National Board has gotten out a letter to the companies describing as of July 16 what was known of the conflagration in Kansas City in the area bounded by Southwest boulevard, Wyoming avenue and West 31st street. About eight square blocks are involved in the fires. Properties listed as "destroyed" are the Schutte Lumber Co.; Central Bag Co.; Socony Vacuum Oil

Co., properties and tanks; buildings at 3021-43 Southwest avenue and the Battenfeld Grease & Oil Co. The owner of this latter property estimates his loss at \$400,000.

Some companies are coding their losses on properties in Kansas City in the event that National Board decides to set up a special designation for this situation.

If any substantial number of losses result from the flood, the adjusting organizations will be hard put to find additional manpower for Kansas. The hail storm June 23 at Wichita which covered an area 12 miles wide and 100 miles long has produced an estimated 25,000 claims and a loss in the neighborhood of \$2½ million in that territory alone. This is the biggest hail and wind loss in Kansas since 1948 when a hail storm at Wichita exceeded the present one by only a small amount.

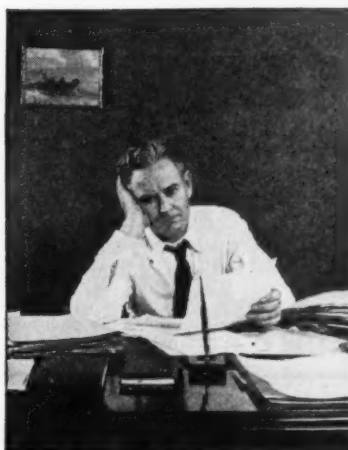
Probably less than 5% of property destroyed or damaged by the flood are covered by insurance. Aside from the fires in the Fairfax industrial district in Kansas City, the only losses that can be expected are under marine policies and a few under automobile comprehensive. Not many personal property floater losses are anticipated, since the flood damage was in the industrial section. However, the tremendous amount of uninsured loss raises a moral hazard from

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those property owners who have lost heavily from the flood and may attempt to recover via the fire insurance companies.

The major fires in Kansas City were started by a freak accident. A large oil tank about half full broke loose from its base and floated against a high tension wire and the oil was ignited. The tank proceeded to bump against several buildings and they in turn caught fire. Floating oil is credited with starting several other fires in the Fairfax district.

Adjusters are faced with a most difficult problem in handling losses in flood conditions. One unusual case is that of a jeweler's block policy insured through an agency whose records were washed out. The adjuster was asked to take on the loss without benefit of any agency records or policy and minus any records in the jewelry store, whose papers also are missing.

50 TOWNS AFFECTED

Scattered cloud bursts on top of an all-time record rainfall for June which averaged 9.6 inches over Kansas with 16.5 inches near Eureka in southeast Kansas caused the flooding of the east half of the state with major damage along the Kansas river and its tributaries from Salina to Kansas City where it enters the Missouri. Army engineers have estimated the property loss at \$750 million with 24 known dead.

There are 50 Kansas towns affected seriously by the flood. Insurance agencies have been flooded out along with business firms in Kansas communities including Manhattan, Solomon, Chapman, Abilene and Ellsworth in central Kansas; Marion, Peabody, Florence, Strong City, Cottonwood Falls, Cedar Point, Saffordville, and Clements further south; Great Bend to the west; Beloit, Delphos, Minneapolis, Glasco, Asherville, Lincoln, and Glen Elder to the north; Council Grove, Neosha Rapids, Burlington, Neosha Falls, Ottawa, and Chanute in the southeast; and North Topeka, portions of Kansas City, Kansas including Rosedale, Argentine and Armourdale. It is reasonable to believe that many have lost their policy records just as merchants have lost their fixtures and stock in these areas.

Fire loss has been confined to Topeka and Kansas City. At Topeka an oil station fire spread to a warehouse along lower Kansas avenue with only a moderate loss. Other insurance loss is largely personal property floater to dwelling risks and automobile comprehensive. Many automobile losses were due to people remaining at their homes or places of business as long as possible and depending on their automobiles for escape. Very few claims had been received Monday. However one state agent had received PPF and

auto claims from a leading agent in one small county seat town in southern Kansas that totalled \$125,000.

Among the officials supervising relief is Brig. Gen. Howard S. Searle, Crum & Forster state agent and executive officer of the Kansas national guard.

It is reported that Columbia Steel Tank Corp., carried flood damage insurance on its Kansas City loss.

The fire area began at 29th & Southwest Boulevard and continued up to 32nd and Roanoke Road which is an area occupied largely by oil, lumber and warehouse companies. Twenty-five concerns have suffered fire losses up to date. Following are some of the estimates: Southwest Oil Co., \$420,000; Shirk Roofing Co., \$75,000; Joseph Furniture Co., \$50,000; Ward Electric Co., \$50,000; Battenfeld Oil Co., \$250,000; Parkview Drug Co., \$75,000; Phillips Oil Co., \$200,000; New Holland Oil Co., \$125,000; Socony Vacuum Oil Co., \$75,000; Central Brewing Co., \$200,000; Schutte Lumber Co., \$250,000. The last named risk is insured in mutual companies.

In addition to this, there are several small stores in the area that have suffered fires estimated from \$10,000 to \$25,000. Practically all fire losses are total, although it is understood Continental Oil Co. has just a partial loss.

In regard to the flood losses of automobile coverage, many workers and executives were forced to leave their cars at their plants in order to save their lives. The losses under this category will be extremely large but no figures can be made until the water is gone and this may not be for another week.

Firemen Do Fine Job

The Kansas City Fire Department deserves praise for its efforts in fighting this tremendous oil and industrial fire. They not only saved many business concerns from losses but they also were able to keep the fire from spreading into a nice residential district. In addition, they have been on constant duty in fighting the fire by pumping the flood water from areas nearby thus saving the city water which has had a low pressure. Fifty percent of the residents of Kansas City have been without water in their homes for three days, so any additional fires would have added greatly to the difficulties.

The staggering task of digging out and cleaning up damage from the Kansas City flood is under the direction of Disaster Corps, Inc. (Missouri) and Defense Rehabilitation, Inc. (Kansas), emergency non-profit organizations. Insurance men played prominent parts in the formation of the organization. Central Surety went on a binder to write the public liability, and workmen's compensation on labor groups working in the orps. The public insurance committee of the agents association made arrangements to handle the coverage.

One of the most spectacular losses

involved TWA's giant modification center at Fairfax airport, and R. M. Ryan, inland marine department supervisor of Western Adjustment, Monday flew to Kansas City to survey the damage. A TWA spokesman indicated that the company had about a \$12 million dollar inventory in the Fairfax area, exclusive of aircraft.

Other losses turning up are some of the nationally-written marine lines with flood cover on cargoes. Agents expect a substantial volume of losses under comprehensive automobile policies on cars abandoned in flood areas, and some losses under personal property floaters are turning up, not so much in flooded residential areas as losses reported by business men who were forced by the speed of rising waters to leave their offices and sometimes their cars with great dispatch. They received less than 30 minutes warning in the primary inundated areas.

PPF and Bailee Losses May Be Heavy in Kansas

By BYRON WARD
State Agent, Glens Falls

In the past few years there has been considerable inland marine insurance written and many of these forms are "all risk" forms that include flood damage. Probably the most important policy of this kind is the personal property floater and there is no doubt that this will be the largest single loss to come under this type policy in Kansas since this form has been written. Most insurance companies have been watching the flood hazard in connection with these policies and have asked the question on the application if the property is located in flood area. The facts are that never before were many of the locations in these flooded towns and cities considered as being subject to flood hazard. Many persons that have been carrying this policy never had this hazard in mind but naturally will be thankful that they are protected. W. V. Jackson, agent at Florence, Kansas conducts his local agency from his home that is located on the main street about two blocks up a slight rise from the main business block of town. He has reported that water was 42 inches throughout his home and office. The water had never before been even close to this property. He has sold five personal property floaters including one on his own property and all of them will suffer a considerable loss. The water stood in these houses for three days. While it is true that most of the assureds in cities of Topeka, Kansas City and Wichita that have the property floater reside in areas that were not flooded, yet it is expected that there

will be many claims under these policies for personal clothing and property that were in the flooded area. Many laundries, dry cleaners, and shoe shops would have property of these assureds and many of these assureds operated stores and businesses and had some personal belongings there that were lost in the flooding of the business property. Many of the freezer locker plants and ice plants were in the flood waters and the power shut off or the flood waters entered the buildings. Many property floater assureds no doubt had meats and frozen foods that will be spoiled and claims will be made for this loss.

Advertises Insurance Cover

There will be many other forms of inland marine policies that will cover flood loss. Cleaners and dyers bailee policies cover flood and many of these business were located in the flood areas. There will be claims under the livestock and agricultural floater, musical instruments floaters, furs and jewelry. One large music company in Kansas City has inserted an advertisement in the newspapers to the effect that all instruments that were purchased from them on time payments and not paid for will be covered for flood damage.

One of the problems confronting the agents is the coverage under household goods insurance on property that was taken from the residence and stored elsewhere to protect it from the flood. There is now a 10% floater coverage away from the premises but many persons have all or half of their personal property stored with friends or in warehouses. Many of them have the property in three or four places. The matter of giving these assureds protection during this emergency, even though the policy is no endorsed or whether the assureds has asked the agent to provide it, is being given consideration. No doubt the agents will receive a bulletin regarding this condition. Most of the assureds are not aware that there is a 10% limit of coverage away from their residence and even if they knew it they are too much concerned with their great loss and would not think to call their agent to bind coverage for them at these temporary locations.

Inspection Bureau Active

Kansas Inspection Bureau has mailed a special report to their members regarding this flood condition and the fire hazard it creates. A report was also mailed by the Missouri Inspection Bureau in regard to the situation in Kansas City, Mo. The Kansas bureau has also mailed a lengthy letter to the city officials of all Kansas towns regarding "Rehabilitation After Flood."

Many Kansas Local Agents have not only suffered personal losses in this flood but they occupy offices on the ground floor in these flooded towns and have lost all their files and records that were swept away by the flood waters. Three agencies in Manhattan, Kansas occupied ground floor offices. These were the Bardwell agency, Walter Leonard agency, and the Universal Securities Co. Water covered the entire first floor of these buildings. The current of the river was diverted through this business district and it carried most of their files and furniture out through the windows. The W. H. Reed agency and the Liston & Brunk agency, both located on Strong avenue, in the Argentine district of Kansas City, Kan., occupy ground floor locations and water was reported 10 feet deep there. No doubt many other local agencies have had their records destroyed or badly damaged in many Kansas towns.

The insurance companies have had a record amount of losses already from Kansas as a result of the hail, windstorms and tornadoes during the past 45 days. These storms have been severe in every section of the state. It is estimated that the companies will suffer at least a 50% loss ratio on their entire writing in the state due to these hail losses and will increase this ratio considerably as a result of the flood losses.

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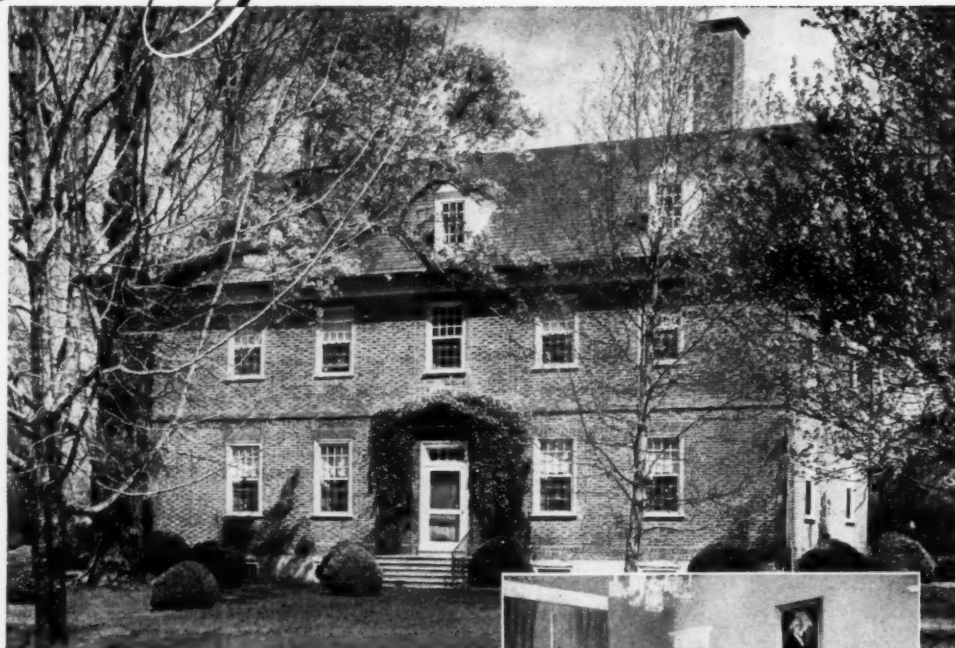
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A year before the Pilgrims landed, America's first Thanksgiving was celebrated in Virginia on property now occupied by Berkeley plantation. On December 4, 1619, settlers came ashore and took possession of land granted by King James I and it was agreed that the date of their arrival was to be "yearly and perpetually" observed as a day of Thanksgiving.

One of the loveliest of the James River plantations, Berkeley is known as the cradle of the Harrisons in Virginia. For 150 years members of that distinguished family brought lustre to its name. Colonel Benjamin Harrison, whose father had built the present mansion in 1726, was a Signer of the Declaration of Independence and three times Governor of Virginia. His son, William Henry, was Secretary of the Northwest Territory, a renowned Indian fighter and ninth President of the United States. According to tradition, young William decided to become a soldier when from Berkeley's windows he saw the redcoats marching past with the traitorous Benedict Arnold. In manhood he returned to Berkeley and wrote his inaugural address in the room where he had been born. His grandson, Benjamin Harrison, became 23rd President, but knew Berkeley only through occasional visits.

During the War Between the States General McClellan made Berkeley his headquarters and is said to

have used the cellar as a prison for Confederate soldiers. Here the bugle call, "Taps," was composed by General Butterfield and here Lincoln reviewed

the troops. Even though it was night, according to an observer, "Everyone could tell him by his 'stove-pipe hat' and his unmilitary acknowledgment of the cheers which greeted him."

Long before the mansion was built, members of the Harrison family operated a wharf on the river front known as Harrison's Landing where some of this country's first ships were assembled. From earliest times a noteworthy event has been the spring runs of shad and herring which are seined with drift-nets today just as they were in the past.

After the Harrisons' time Berkeley was neglected and somewhat altered by various tenants. The present gracious owner, Malcolm Jamison, has carefully restored it to its original appearance and, fully aware of its historical value has taken every practical means, through insurance engineering and protection, to preserve it for posterity. Through his generosity this beautiful home is now open to public inspection.

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